

REBOUND

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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

BUILDING STRENGTH

- Continues to remain amongst the leading players in the Optical Media industry globally
- Maintained its leadership position in the EPC business with over 250 MW installed across technologies
- Execution of definitive agreements with domestic lenders and implemented CDR scheme
- Secured number one position in J&K with the installation of off-grid projects in Ladakh and Kargil regions
- Established solar in a Box concept with 1 KW systems to begin with and entered solar pump segment

LEADING THE WAY

- MBSL emerged as India's Largest Solar EPC Company in 2012-13
- Emerged as one of the top players in Kerala's ANERT residential roof top system through newly established channel partners
- Launched pen drives preloaded with security software
- Introduced signature collection of bejeweled pen drives during festive season
- Created benchmarks in completing large ground mounted projects in record timing

CORPORATE SOCIAL RESPONSIBILITY

- Moser Baer Trust, the community development arm of Moser Baer India Limited has mainstreamed 284 out of school children in the formal education system through various initiatives
- 145 illiterate girls got benefitted through non-formal education classes
- During 2012-13, the Trust has reached out to 1972 youths and children from 65 villages of Noida and Greater Noida through 8 digital literacy centres. During the last 3 years, about 4431 trainees has completed various computer and IT related courses
- 8175 patients were catered to through community based OPDs and specialized camps
- New and 2nd AAKAR Centre has been established, benefiting 92 women directly through empowerment through livelihood initiative for women

RECOGNITIONS

- Moser Baer Solar has been conferred with the prestigious "5 Star Rating" by TÜV Rheinland for maintaining highest standards of quality in manufacturing for third consecutive year, the only Solar company in the world to achieve the feat
- Moser Baer has been conferred with 'EFY Reader's choice Award' for the Best solar modules brand in the country
- The company has won the prestigious JET, JIS and JPEC certification



CHAIRMAN'S MESSAGE

In this turbulent economic environment, I do not underestimate the scale of challenges that companies around the world are facing today. In one of the most recent forecasts, the International Monetary Fund has slashed its growth forecasts for 2013 and 2014 and has warned of a slowdown in key emerging markets and a more protracted recession in the euro area as well. If one looks at country by country, it is quite evident that China seems to be afflicted with unproductive investments, Brazil looks saddled with low investments and in India it looks like political and administrative uncertainty!

So what does it mean for us? A slower growth rate in big developing countries is likely to have profound repercussions for the world economy which will translate into weaker growth for advanced countries as well. It also means that there will be slower recovery than expected.

While it is apparent that overall the recovery to growth path will be slow, however, I do not believe this is the time for defeatism. Yes, I agree we are currently passing through a phase of restructuring and transition at Moser Baer, but we are confident of a strong rebound. As you know due to several externalities, we had had a patch of rough weather. Since not every challenge could have been foreseen and even if it could be predicted, it cannot always be averted. We have withstood challenges with great resilience and now we are already set to be on the path of recovery and are confident of bouncing back.

Now coming to the business in FY 2013, we find that while the overall market sentiment was stable, we transitioned into a more mature optical media market with focus on higher value products. In this FY the company's total revenue including other income stood at INR 15,463 million on a standalone basis and the EBITDA (including other income) stood at INR 774 million during the year.

Your company continues to be one of the market leaders in the global storage media industry. We consistently offer a wide range of high quality products at low cost and have proven time and again that we are a unique tech-manufacturing company in that sense. We notice increasing demand for new generation optical media products like Blu-ray in mature markets (USA and Europe). While emerging markets show continued higher preference for DVDs and an increase in demand for Blu-ray products, the development of non-OEM channels in regions like Africa and West Asia are boosting demand for optical media products especially for DVDs and CDs.

Our solid state media (SSM) segment – flash drives, SD and Micro SD cards is a part of the storage media business that has witnessed high growth in India and is growing popular globally. According to an industry estimate global shipments of solid state media are likely to reach 937 million units in 2014. In the near future, the SSM segment will be a key growth driver for the business on account of rapid penetration of personal computing devices in the developing markets. Needless to underscore that we shall continue to focus on product innovation, high quality, cost competitiveness and widening of our distribution network.

Coming to Solar, we all know that solar energy has great future. It is also well known that solar radiation striking the Earth's surface each year is equivalent to more than 10,000 times the world's annual energy use. In theory, it is notable that the solar radiation that hits about 1% of the world's desert area alone could be sufficient to meet the world's entire electricity demand! Still we have few issues in Solar that need to be addressed at the policy level.

Due to a massive capacity buildup by Chinese companies, the Indian solar manufacturers were massively hit. Taking cue from the US Department of Commerce (DOC) and the European Commission, India too initiated antidumping investigations against imports of PV equipments from China, Taiwan, Malaysia and USA. The proceedings are currently in progress and an announcement on the same is expected to be made in the near term. Anti dumping duties and such other measures adopted by the USA, Europe and India are likely to result in increase in cost competitiveness of non- Chinese solar PV manufacturers.

In India, we are hopeful of a strong Government policy support in the form of protection from dumped products and local content regulation for creation of a level playing field. This will help develop a strong self sustaining domestic sector capable of serving the growing demand for solar energy in India.

At present your company is serving the lucrative high margin and quality conscious markets like Japan through its solar manufacturing operations. We are optimizing production processes weaving in material efficiencies to create sustainable competencies for the business.

Your company has continued to maintain its leadership position in the Indian solar EPC space with over 250 MW projects installed till date. Though it may appear that the

short term PV market is challenged due to the prevalent demand supply imbalance and waning demand from the European markets, the future outlook remains promising on account of strong emergence of the new markets.

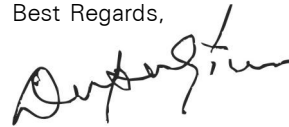
In the entertainment sector, we continue to dominate the home video segment. We have adopted unique marketing strategies for targeting different market segments. Catering to the premium segment, we offer high quality DVD catalogues marketed through the large format retail outlets to this segment. To the mass market we offer value products at affordable prices. We are aiming to enthrall consumers to buy our branded high quality offerings at marginally higher prices than go for pirated versions.

Notably, your company is taking sound steps towards strengthening its core businesses. We have taken a slew of steps to cut costs, be innovative and employ technologically superior processes to weave in better efficiencies.

I must thank all Moser Baer employees who are its real strength and who are working incessantly in these challenging times to tide over all odds.

I have come to firmly believe that the key to the next phase of development at Moser Baer lies in innovation- and efficiency-led productivity enhancement, which will essentially result in a strong rebound, led by smart people.

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. FRANK E. DANGEARD

Independent and Non-Executive Director

MR. VINEET SHARMA

Independent and Non-Executive Director

MR. SANJAY JAIN

Alternate Director to Mr. Bernard Gallus

MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

FY 2012-13, a challenging year for businesses globally, was a phase of transitioning, consolidation and restructuring for Moser Baer. During the year, we undertook several measures aimed at improving operational efficiencies that are expected to have a positive impact on the business in the near to medium term. We continued to focus on our core competencies in the Storage Media business and develop strengths in other businesses to chart out a sustainable future and to recreate value for our stakeholders in the long term.

During the past year, challenges to the global economy persisted due to slowdown in the emerging economies and recession in the Euro Area. As per IMF's World Economic Outlook (April 2013) report, World output growth declined for the second consecutive year to 3.2% in 2012 from 4.0% in 2011. For the second year in succession, Emerging Markets' output growth lowered to 5.1% in 2012 from 6.4% in 2011. In 2012, the Euro Area witnessed negative output growth of 0.6%. While the last two years have been difficult for countries and businesses globally, year 2013 appears to be the transitioning period through which the global economy is expected to stabilize for the near to medium term. As per IMF, strong recovery is expected in 2014 for the global economy, Euro Area and Emerging Markets.

COMPANY OVERVIEW

In FY 2012-13, Moser Baer India Limited witnessed certain constraints due to business re-organization that affected its operating performance. While the overall market demand sentiment was stable, we transitioned into a more mature optical media market with focus on higher value products.

- Total Revenue: In FY 2012-13, the Company's total revenue including other income stood at INR 15,463 million on a standalone basis
- EBITDA (including other income) stood at INR 774 million during the year
- Cash and Liquidity: Net cash flows from operating activities stood at INR 450 million during the year

In FY 2012-13, Moser Baer's Storage Media Business was affected by financial constraints that affected operations during the year. During this year, the global Storage Media industry remained largely stable; however, there was a secular decline in demand for optical media products in developed markets. A positive trend during the year was stability in prices of key input materials. During FY 2012-13, Moser Baer's Storage Media business undertook several steps aimed at lowering the overheads and aligning resources with current levels of operations. The Company continues to enjoy the trust of its global customers including OEM partners on the back of its low cost structure, high quality profile, diversified product portfolio and strong R&D capabilities. The Company is well placed to leverage the current and emerging market opportunities.

The Corporate Debt Restructuring (CDR) schemes of Moser Baer India Ltd. and its PV companies have been

approved and are under implementation. Post successful implementation of the CDR scheme, the Storage Media business is expected to ramp up quickly resulting in improved operational and financial performance.

In the **Solar PV segment**, the global Solar PV industry amid a difficult macro-economic environment, continued to witness robust demand through 2012 leading to record installations (31.1 GW) during the year. The Indian market too witnessed strong increase in PV installations during 2012-13 with cumulative capacity reaching 1,686 MW by end March 2013, up from 17.8 MW in early 2010. However, while demand remained strong, the massive global oversupply scenario persisted through the year resulting in significant price declines that adversely affected PV manufacturers globally as well as in India. As a result of this, several countries/regions adopted protectionist measures aimed at safeguarding their domestic solar industry.

In view of the current challenging industry environment, we are operating our manufacturing facilities at lower capacity utilization levels and are focusing on high margin markets such as Japan for module sales.

While the short term industry environment remains challenging, the long term potential remains intact and signs of recovery appear to be on the horizon with price declines tapering off from the start of 2013 and increase in utilization levels especially amongst the global Tier I players.

Our solar EPC business has consolidated its position as one of the leading players in the solar EPC market with over 250 MW of projects executed till date and with over 4 MW of Off-grid projects in operation. The business has developed rich experience and expertise in executing solar EPC projects of different sizes across terrains and technologies in record timeframes.

Moser Baer's **Entertainment business** is one of the leading players in the home entertainment space in India due to its diverse content portfolio and broad distribution network. The business is focused on providing high quality content at reasonable prices to consumers across the country. The Entertainment business is exploring several options to tap the rapidly growing digital content market in India and to add value to consumer experience in this space.

STORAGE MEDIA

STORAGE MEDIA INDUSTRY

During FY 2012-13, while demand for Optical Media products declined in the developed markets, the Asia Pacific, Africa, Middle East & Latin America regions continued to develop as stable demand centers. The supply rationalization in the Optical Media industry which slowed during the year is expected to pick up again with several manufacturers expected to exit and curtail manufacturing capacities in the near future.

The trend of increasing demand for new generation Optical Media products like Blu-ray in mature markets such as USA and Europe continued with simultaneous softening of demand for the first generation products like CDs. Emerging Markets on the other hand continued to show higher preference for DVDs and also witnessed

increase in demand for Blu-ray products. Development of non-OEM channels in some other regions such as Africa and Middle East is broad-basing demand for optical media products especially for DVDs and CDs.

The Storage Media business, which includes Solid State Media segment (Flash Drives, SD and Micro SD cards) has witnessed high growth in India and is witnessing an increase in popularity 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 for 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. The Company on the back of its high quality standards and strong service profile continues to maintain business alliances with leading OEMs across the world. The Company continues to supply products in over 95 countries globally.

As one of the select few suppliers of advanced Blu-ray formats globally, we expanded our presence in this high margin product category during the year. 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 liquidity constraints during the year. However, the demand for company's products remains robust and we expect an upswing in FY 2013-14.

During the year, we continued to expand our product offerings with a range of innovative products towards our existing OEM customers as well as towards the Non-OEM market. We continue to focus on Corporate segment and retail products for gifting on special occasions and festivals. The Data Security products of the Company also witnessed strong growth. During the year we launched several exciting products within the Solid State Media (SSM) segment such as the 'Silico' and 'Ripple' models, which have been very well received by market. On the technology front, Moser Baer's Storage Media business made a strategic technology initiative to co-develop the NAND flash controller (a key high cost component used in SSM products) to significantly drive down the costs.

During the year, Moser Baer's Storage Media business undertook several steps aimed at lowering the overheads and aligning resources with current levels of operations. The company consolidated all its manufacturing facilities to cut down on overheads and to extract supply chain synergies. Our current leaner setup benefits us through lower power consumption and lower fixed overheads. The Company also optimised its employee base to align scale with current level of operations. These steps are expected to positively impact the company's operations in the near to medium term.

Further during the financial year, we worked on several productivity improvement initiatives leveraging our strong R&D capabilities and were able to significantly improve process efficiencies and output yields. We are also working towards rationalising our power sourcing for further cost optimization.

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

OUTLOOK

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 and a simultaneous increase in demand for the high margin advanced formats such as Blu-ray discs. In the emerging markets, such as Africa, Latin America etc demand for DVDs 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.

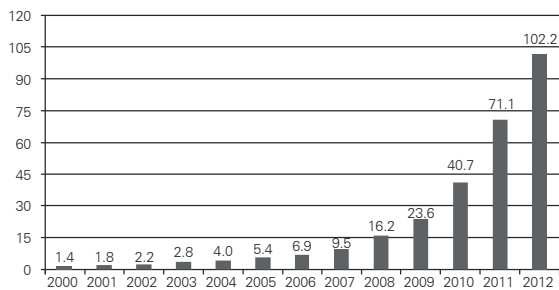
The Company continues to focus on product innovation, upholding of its high quality standards, increase in its cost competitiveness and on widening of its distribution network.

SOLAR PHOTOVOLTAIC

PHOTOVOLTAIC (PV) INDUSTRY

The global Solar PV industry exhibited resilience with over 31 GW of PV systems installed during 2012 led by sustained demand from the German market and robust increase in installations in the emerging markets such as USA, China, Japan and India. As per European Photovoltaic Industry Association (EPIA), global cumulative solar PV installed capacity crossed 102 GW by end 2012.

Evolution of Global Cumulative Installed PV Capacity - 2000-2012 (Figures in GW)



Source: EPIA

As per EPIA, in 2012 Germany again topped the global market with 7.6 GW of installations. China, Italy, USA and Japan were amongst the other top 5 markets that witnessed 5 GW, 3.4 GW, 3.3 GW and 2 GW of PV installations, respectively.

Persistent Oversupply during 2012

The global PV market witnessed persistent oversupply throughout 2012 which led to substantial price declines, in turn affecting profitability and operations of PV manufacturers across the world. This market environment was triggered as a result of massive capacity build up by Chinese manufacturers led by State support which adversely affected all the industry players including the Tier I manufacturers. Majority of the Tier II and Tier III

players either stopped operations or were operating at very low capacity utilization through 2012.

Fast Approaching Grid Parity

A positive fallout of the global overcapacity and price decline was that it compelled PV manufacturers to innovate and reduce their cost structures resulting in significant improvement in cost competitiveness of solar power vis-à-vis conventional energy and consequent acceleration towards grid-parity.

According to NPD Solarbuzz, Levelized Cost of Energy for solar photovoltaic (PV) systems is coming closer to retail electricity prices in the US, where Solar PV is already competitive with Tier 4 or 5 electricity rates at which power is consumed by commercial customers. As per a recent report by Deutsche Bank, grid parity has already been achieved in parts of Italy and India.

According to Bridge to India (BTI), an India based solar focused consulting firm, solar power is already cheaper than grid power for commercial consumers in Maharashtra, Delhi and Kerala, even without subsidies. In other States such as Andhra Pradesh, Odisha, Gujarat, West Bengal and Rajasthan, solar power for commercial consumers is competitive with grid electricity with the help of subsidies.

Emergence of New Growth Centers

2012 stood out as the year in which reliance of the global PV industry on Europe as the key growth driver waned, while prominence of the emerging markets increased. As per EPIA, in 2012 Europe's share of the annual global PV installations declined to 55% (17.2 GW) down from 73.6% (22.4 GW) in 2011.

This trend is expected to continue in 2013 with over 50% of annual global PV installations forecast by EPIA to take place outside of Europe. This decline in the European market is expected to be compensated by the robust growth expected in the emerging markets of China, USA, India and Japan. China alone has set a target of 10 GW of solar PV installation during 2013. As per industry estimates, in 2013, Japan, USA and India are expected to witness 6.9 GW, 4.3 GW and 1 GW of PV installations, respectively.

Increase in Trade Barriers in Key Regions/Countries

The persistent oversupply scenario in the global PV industry on account of massive capacity build up by Chinese manufacturers resulted in initiation of protectionist measures by various regions/countries to protect their domestic PV industries.

In September 2012, the European Commission initiated antidumping investigation against Chinese PV imports to the region. In August 2013, the annual Chinese PV exports to the European Union were limited by the European Commission to 7 GW and were mandated to be exported at a minimum price of € 0.56/watt.

In October 2012, the US Department of Commerce (DOC) announced Antidumping Duties (ADD) ranging from 18.3% to 249.9% and Countervailing Duties ranging from 14.78% to 15.97% on Chinese solar PV exports to the US.

In November 2012, India too initiated antidumping investigations against imports of PV equipments from China, Taiwan, Malaysia and USA. The proceedings are currently in progress, and an announcement on the same is expected to be made in the near term.

These measures adopted by USA, Europe and India are likely to result in increase in cost-competitiveness of non-Chinese solar PV manufacturers.

Improving Environment at the turn of the year

Since early 2013, the operating environment for PV manufacturers has begun to show signs of positive traction on account of consolidation amongst the Tier II and Tier III players and higher demand from emerging markets such as Japan, China and the US. PV module prices are showing signs of stabilizing, reflecting some restoration of the global demand-supply balance.

This improved market environment is resulting in improvement in capacity utilization levels, especially for the global Tier I manufacturers amid high demand from the US, China and Japan markets.

Indian Solar Market

The Indian PV market driven by the Jawaharlal Nehru National Solar Mission (JNNSM) and individual State Solar Policies continued to witness robust growth touching 1.7 GW of cumulative grid connected capacity by March, 2013. Of the total capacity, close to 80% of the PV installations have taken place in Gujarat and Rajasthan. A number of other States such as Tamil Nadu, Andhra Pradesh, Punjab and Kerala have also announced Solar policies aimed at rapid penetration of solar power.

While the Indian market witnessed robust growth in PV installations over the last one year, the domestic PV manufacturing environment remained depressed on account of the huge surge in imports. Continued dumping of solar panels led by China resulted in manufacturing operations becoming unviable for domestic players, majority of which have either halted manufacturing operations or are operating at low capacity utilization levels.

The domestic manufacturing industry is in need of strong policy support in the form of protection from dumped products and local content regulation for creation of a level playing field. Policy stimulus for the solar manufacturing industry would help in the development of a robust self sustaining domestic sector capable of serving the growing demand for solar energy in the India. Over the long term, a strong and vibrant domestic manufacturing industry is also essential to ensure energy security of the country.

Jawaharlal Nehru National Solar Mission (JNNSM)

Under the JNNSM, the Ministry of New and Renewable Energy (MNRE) has targeted the development of 10,000 MW of solar capacity in India by 2017. MNRE is also targeting development of a domestic solar manufacturing base with capacity of 5,000 MW by 2017. In view of the higher success and faster completion cycles of the solar PV technology-based projects, MNRE has enhanced Solar PV's share in Phase II of JNNSM to 70% from the Phase I target of 50% of the total solar projects (Source: JNNSM Phase II Draft Policy document)

Under Phase II of the JNNSM, MNRE has also increased the cumulative target for development of Off-grid solar applications in India by 2017 to 1,000 MW. This would include deployment of 1 million Off-grid lighting systems, 25,000 solar pumps and 25,000 solar integrated telecom towers.

In April 2013, the MNRE announced draft guidelines for the development of 750 MW of projects under Batch I Phase II of the JNNSM through the viability gap funding mechanism. About 75% of these installations are expected to be met through domestic procured panels.

In the near to medium term, the domestic manufacturing industry is expected to witness strong growth opportunities on account of:

- 1) Strong impetus on rapid penetration of solar power in India under the Phase II of the JNNSM
- 2) Focus on development of a domestic solar manufacturing base
- 3) Policy support through protection from dumped products along with imposition of domestic content regulation

State Solar Policies

Several States in India, following the lead taken earlier by Gujarat and Rajasthan, have announced or are formulating Solar Policies aimed at leveraging solar power to address chronic power shortages and to meet their Solar Purchase Obligations (SPOs).

In 2013, as part of its Solar Policy announced in 2012, Tamil Nadu awarded letters of intent to developers to install over 700 MW of solar PV projects in the State by end March 2014. The State has set an ambitious target of development of 3,000 MW of solar power by 2015.

In June 2013, the Andhra Pradesh government as part of its policy to develop 1,000 MW of solar PV capacity in the State allocated 350 MW of projects to various developers at a tariff of INR 6.49/kWh.

In February 2013, Kerala released a draft solar policy aimed at developing a solar capacity of 500 MW by 2017 and 1,500 MW by 2030. Kerala's Solar Policy seeks to distinguish itself from the other State policies through its focus on the promotion of distributed solar power. In 2013, Kerala launched a rooftop programme aimed at deployment of 10,000 number of 1kW rooftop systems in the state.

REC Mechanism

As per India's National Tariff Policy, a mandatory Solar Purchase Obligation (SPO) has been imposed on obligated entities starting from 0.25% in 2012 and going up to 3% by 2022. This will result in robust demand for solar power, a part of which would be met by the Renewable Energy Certificates (REC) mechanism.

The REC mechanism — that allows obligated entities, such as distribution companies, captive consumers and open access users, to meet their SPO obligations through purchase of these certificates — continued to gain prominence during FY 2013. During the year, demand for the solar RECs increased substantially with 3,183 certificates traded in March 2013, up from 10 in May 2012.

The REC Certificates are tradable on the Power Exchange India Ltd. and on the Indian Energy Exchange.

As per the MNRE estimates, demand for solar power required to meet SPOs is likely to reach about 30 GW in 2022.

Currently, one of the key concerns under the REC mechanism is the implementation or enforceability of the SPOs on the obligated entities. The regulatory agencies are in process of developing policies to address this concern.

MOSER BAER'S PV BUSINESS

Moser Baer's PV business is one of the largest players in the Indian market with presence across the value chain and requisite infrastructure to benefit from the rapidly growing Indian market. The PV business has an annual capacity of ~200 MW in Cell and Module manufacturing across multiple technologies and rich experience in the downstream solar EPC business.

In view of the difficult operating environment, the PV business is currently operating at low utilization levels and is serving the lucrative high-margin and quality conscious markets like Japan through its module manufacturing operations. The PV business is also focusing on its R&D capabilities to optimize production processes to drive material efficiencies in its efforts to create sustainable competencies for the business.

During FY 2012-13, Moser Baer undertook several cost reduction measures including rightsizing of the organization that was aimed at aligning resources with current levels of operations.

The Company's PV business plans to ramp up operations in line with the emerging opportunities in the Indian market & announcement of Government policy initiatives and with the implementation of the CDR scheme.

The expected policy as well as regulatory environment with the likely imposition of Anti-dumping Duties on Solar PV imports from specific foreign countries including China and the likely inclusion of Thin Film under the DCR regulations is expected to boost the domestic manufacturing base in India.

Moser Baer's PV business maintains its leadership position in the Indian solar EPC space with over 250 MW 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 developed strong expertise in the EPC business resulting in rapid decline in project execution times and reduction in project costs.

The EPC business has created a strong competitive advantage in the domestic market on the strength of a broad project portfolio, pan-India presence and has established itself as a highly competitive player.

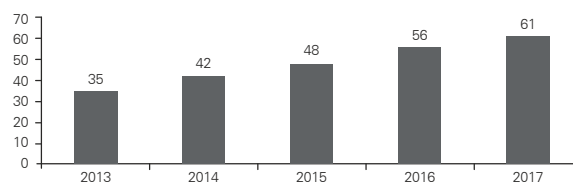
In 2013, Moser Baer's PV subsidiary was empanelled by ANERT (Agency for Non Conventional Energy and Rural Technology) for supply of 1 KW rooftop solar systems in Kerala. Total requirement of the 1 KW systems under the programme is 10,000.

The Corporate Debt Restructuring (CDR) schemes of Moser Baer's PV subsidiaries (Moser Baer Solar Ltd. and Moser Baer Photovoltaic 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 majority of the lenders and other implementation formalities are currently being worked upon.

OUTLOOK

While the short term PV market is challenged primarily due to the prevalent demand-supply imbalance and waning demand from the European markets, the future outlook remains promising on account of strong emergence of the new markets as the future growth drivers. As per IHS, about 242 GW of installations are expected during 2013-17, an average of 48.4 GW annually.

Global Annual PV Installation Forecast-IHS (GW, 2013-17)



The Indian PV market too driven by the high levels of solar irradiance across the country, increasing cost competitiveness of solar power and National and State Solar policies is expected to witness robust growth over the next few years. Current growth momentum in the Indian PV market is expected to continue with over 1 GW and over 2 GW of PV capacity expected to be installed in 2013 and 2014, respectively (BTI).

Our strong R&D capabilities, rich technology manufacturing heritage, presence across the solar value chain and credible quality profile would enable us to maintain our leadership position in the domestic PV market in the medium to long term. With all the basic fundamentals in place, Moser Baer is preparing to leverage the evolving policy framework in the domestic environment and is bracing itself to launch itself on to the path of recovery and sustainability.

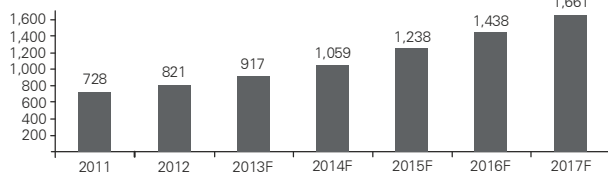
In the medium-term, the PV business is focused on leveraging its R&D and execution capabilities and restructuring and upgrading its existing assets to produce higher efficiency modules that are expected to command a pricing premium due to advantages on yield, space and reduced mounting infrastructure expenses at System levels. At the same time, it expects to be able to continue to reduce its production costs through improved system processes and increased efficiencies.

ENTERTAINMENT

ENTERTAINMENT INDUSTRY

In 2012, the Indian Media & Entertainment (M&E) industry grew by 12.6% Y-o-Y to reach INR 821 billion on the back of strong growth within the 'Films' sector and continued rise in digitization. The Indian M&E industry is expected to continue its growth momentum in the medium term and is forecast to double by 2017.

Indian M&E Industry Size (INR Bn)



Source: FICCI KPMG Report 2013

The 'Films' segment within the Entertainment industry witnessed strong growth during the year increasing by 21 % Y-o-Y to reach INR 112 billion in 2012. As per FICCI-KPMG, the 'Films' segment is expected to reach INR 193 billion by 2017.

MOSER BAER'S ENTERTAINMENT BUSINESS

Moser Baer's Entertainment business continues to remain one of the leading players within the home entertainment space in India on the back of its broad content portfolio offered in multiple Indian languages. Our content portfolio spans different genres such as religious, mythological, TV serials, kids' content, health and wellness content. We are focused on providing high quality content at reasonable prices to Indian consumers and have created a wide distribution network aimed at making our offerings available across the country.

The entertainment business has adopted unique marketing strategies for targeting different market segments

- A) **Premium Segment** – Our primary target is the consumer segment in Metro, Tier I and Tier II cities, which is relatively price inelastic and is quality and brand conscious. We offer high quality premium priced DVD catalogue marketed through the large format retail outlets to this segment.
- B) **Mass Market Segment** – Our offerings to the mass market segment include value products at affordable prices like 3-in-1 film formats, called Super DVDs. Our strategy is to induce consumers that buy pirated products to buy our branded high quality offerings at marginally higher prices.

We are focused on acquiring content on royalty sharing basis, e-commerce activation through tie-ups with leading e-commerce websites and launch of a new in-house e-commerce website.

OUTLOOK

As per KPMG, the overall M&E industry in India is expected to grow at a CAGR of 15.2% to reach INR 1,661 billion by 2017. This growth is expected to be led by rise in consumption of digital content, emergence of diverse content delivery platforms, strong consumption in Tier II and Tier III cities, increasing footprint of the players in the regional media, and growth in new media businesses.

The 'Film' segment, driven by increase in share of Cable & Satellite Rights and growth in theatrical revenue, is forecast to increase at a CAGR of 11.5% during 2012-2017 to reach INR 193 billion (FICCI KPMG REPORT 2013)

Key Future Strategies from our Home Entertainment Business include:

- **Distribution Optimisation**
The Company plans to optimise its distribution network and resources for better cost management and control.
- **Acquisition of new & catalogue content on royalty sharing model**
Moser Baer Entertainment is actively engaged in acquiring content on revenue sharing basis and going forward plans to exclusively leverage this model for limiting the initial acquisition cost.
- **Focus on Corporate Business and Non-Conventional Distribution**
We plan to provide a significant push to our B2B initiative. We have already acquired a few major customers within the FMCG and Automotive sectors and are focused on broad basing our B2B customer portfolio.
- **Leverage E-Commerce Opportunity**
During the year, Moser Baer Entertainment launched its new E-commerce website to provide a "One stop shop" facility for all home video entertainment needs. This platform is targeted to host both in-house as well as third party content. We have also tied up with several leading production houses of Bollywood and have acquired new movie titles for redistribution through our online portal.
- **Explore a digital play in the entertainment sector**
To tap the rapidly growing digital content market, we are exploring cost effective ways to create value in this space. We plan to pursue a strategy of online content aggregation from multiple content owners in partnership mode and will examine different ways of distributing the same through an online platform

FINANCIAL RESTRUCTURING

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

A Techno-Economic Valuation study was conducted for Moser Baer India Ltd. by an independent third party consultant appointed by Central Bank of India (CBoI). This study involved a detailed viability analysis of the industry, competition, future cash flows of the company and the new technology initiatives leveraging existing capabilities and infrastructure. The consultant took cognizance of the long term growth potential of the industry and the management strength and based on its future cash flow estimates of the company recommended/proposed the debt restructuring scheme to CBoI.

The Company has executed the Master Restructuring

Agreement (MRA) / other definitive documents with all (except one) lender banks on December 27, 2012 and has also fulfilled pre-required conditions for implementation of the CDR Scheme. Subsequently an amended agreement was signed on March 30, 2013. Accordingly, the CDR scheme has been accounted for in the books of the accounts for the quarter and year ended March 31, 2013.

Moser Baer Photovoltaic Limited (MBPV), one of the subsidiaries of the Company also has executed the MRA/ other definitive documents with all lender banks on January 18, 2013 and has also fulfilled pre-required conditions for implementation of the CDR Scheme. Accordingly, the CDR scheme has been accounted for in the books of the accounts of MBPV for the year ended March 31, 2013.

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 is ongoing. Accordingly, CDR scheme has not been implemented in books of accounts of MBSL for the year ended March 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.

The outstanding foreign currency convertible bonds (FCCBs) aggregating to principal value of USD 885 lacs (equivalent to Rs 48,051lacs) matured for redemption on June 21, 2012, which have since been claimed by the trustee of the bondholders. The Company has applied for relevant regulatory approvals and meanwhile is in discussions with the bondholders through the Trustee, to re-structure these bonds. The trustee on behalf of certain bondholders has also filed a petition under section 434 of the Companies Act, 1956 with Hon'ble High Court of Delhi, which is pending.

NEW INITIATIVES IN ENERGY EFFICIENCY

As part of its foray into new energy efficient lighting business, the Company has been focusing on the LED space and has started in-house production of LED light bulbs and LED tube lights. The Company has recently undertaken an ambitious retrofit LED Lighting program for retail outlets of a large Oil Marketing company in India.

LED lighting products as compared with incandescent light bulbs or CFL's are energy efficient, have longer lives and are environmentally safer (no mercury content).

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.

Moser Baer 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 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 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 Blu-ray category presents opportunity to us to increase our market share
- Strong demand for storage media products in India driven by robust sales of computers and 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
- Increase in demand for emerging product categories such as Solar Lanterns and LED's

THREATS

- Sudden spike in prices of key input materials could affect business' profitability. The company has established strategic relationships with key suppliers and has entered into long term contracts 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 be ahead on the technology curve
- Aggravation or continuation of the financial crisis prevalent in Europe may adversely affect demand for the company's storage media offerings
- The Company derives a significant part of its revenue from the international markets. These have seen a growing protectionist attitude and a tendency by some local governments to use

antidumping and trade protection tools to provide protection to local businesses. However, the Company continues to keep a close watch on this front and take necessary steps to minimize any such fallout.

- 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 exports 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

- Focus on sustainable clean energy sources worldwide given the depleting and polluting conventional forms of energy provides for strong growth opportunity for renewable forms of energy. Solar Energy being a freely and abundantly available fuel matching the peak electricity demand requirements is one of the most suited forms for energy generation
- Strong emergence of new markets such as the US, China, Japan and India that are expected to drive the next phase of growth in the global solar industry
- Rapid increase in deployment of solar energy in India on the back of strong policy support from JNNSM and State Solar policies, with focus on both Grid connect Solar farms & Off grid / Roof top markets.
- Increased participation in the REC mechanism by investors/developers and higher off take of solar-RECs by the obligated entities augur well for higher penetration of solar power through the REC mechanism
- Expected policy support through protection from dumped products and likely imposition of local content regulation would augur well for the domestic manufacturing industry
- Increase in cost competitiveness of solar energy vis-à-vis conventional energy leading to advancement of grid parity globally and in India

THREATS

- Withdrawal or reduction of State support in key markets through reduction of subsidies and other incentives or change in government policies
- Prolonged economic downturn in Europe, a key

market for solar-PV products is likely to affect demand for solar energy in the region

- Persistent oversupply situation in the global market.
- Continued dumping of solar PV products by Chinese and other foreign players.
- Technology obsolescence & emergence of disruptive technologies.
- Sudden increase in input costs of key raw materials.
- Continuation or prolonging of the high interest rate scenario in the domestic market
- Steep fall in the module prices

ENTERTAINMENT BUSINESS

OPPORTUNITIES

- Stable Industry Growth : The overall entertainment industry in India grew y-o-y by 12.6 % in 2012. This industry is forecast to witness strong growth over the next few years and would thereby provide growth opportunities to domestic players
- Consolidation in Home Video Market: The domestic Home Video market is witnessing exit of small players due to lack of competencies and/or economies of scale. This offers opportunities to large players to increase their market share and presence in the domestic market
- Increasing Digitization of Content: The rapidly growing digital content market in India provides opportunities to large players to establish their presence in the segment
- Retail Growth: Indian retail industry is currently estimated at around USD 450 billion and is expected to grow to USD 600 billion by 2015 and to USD 850 billion by 2020. Share of organized retail, which is currently estimated at 8% of the overall retail market, is forecast to increase to 20% by 2020 (Deloitte January 2013). Indian government's allowance of 51% Foreign Direct Investment (FDI) in multi-brand retail is likely to provide a fillip to the organized retail industry (a key retail channel for Home Video products) in India
- Rise in Penetration of Ecommerce: The e-Commerce market in India estimated at USD 1.6 billion in 2012, is forecast to grow at a CAGR of over 57 % during 2012-2016, the fastest rate within the Asia-Pacific Region (Forrester Research April 2012)
- Alternate Revenue Streams: Ancillary revenue streams like Licensing & Merchandising and Pay-per-Views are expected to spike up and are expected to grow at a CAGR of over 15 % till 2016
- Niche Content: Niche content such as lifestyle videos, educational videos and classic series are

expected to grow and provide opportunities to the Entertainment business

THREATS

- Piracy:
 - Physical format pirated VCD/DVD sales pose a serious threat to organized industry leading to an urgent requirement of stringent laws on curbing piracy
 - Digital piracy remains a major threat to the monetization of content on digital and physical platforms in India
- Limited Access of Home Video Rights: Limited film rights are currently available for acquisition as studios are tending to release bulk of the films under their home labels. Lack of access to Home Video rights for a sufficient number of new movies may adversely affect our operations in future
- Declining Market for Content on Physical Formats: Rapid decline of demand for content on physical formats on account of preference for other delivery channels may affect our operations adversely. Value Added Service (VAS) and Video on Demand (VoD) are an evolution of the home video market and are expected to take away significant share of the DVD/VCD market
- Reducing Time Gap in Theatrical Release to TV release – The reduction in release window of movies is likely to adversely affect sales of content through the physical format sales

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The year 2012-13 was the year of high ups & downs. With the economy showing signs of recovery, it was important to find the right balance between optimism and caution. Challenges on the business front required us to align and adjust our HR processes with changing conditions. 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.

HR at Moser Baer, as always, played an integral role in driving the organization's competitive edge, with our Business Aligned HR Practices, focusing on Employee Development, Engagement and Enabling Higher Performance.

In an environment wherein IR scenario across the vicinity industries was very volatile, we managed to consolidate the Manpower through our people centric approach without hampering normal operations. To optimize the Cost & for Business viability in longer run, we merged our BOM operations, shifted Solid State Media facilities to Greater Noida unit. Also, we restructured our Manpower Cost through various interventions.

Further, in order to engage & align our employees, we continued to encourage Associate Involvement in decision making process through various committees' like Cafeteria Committee, Transport Committee, Sports Committee etc. Employee Communication Forums like

Open Houses, Communication Meetings, Town-Halls, HR Help Desk, Grievance Resolution System etc. and provided them all possible opportunities to express their views & exchanges on the various issues that impact employees directly or indirectly.

We continued to focus on our Training Capabilities towards development of people in alignment with our business needs and imperatives, and accordingly, drove development initiatives across the organization, imparting 2 Mandays of Training per associate for the year.

Industrial Relations environment at the manufacturing locations was largely peaceful & cordial. Few issues were amicably & peacefully resolved through the process of discussion and dialogue without loss of Productivity & Trust.

Our continued focus on proactive involvement, employee-friendly practices policies, two way communication & grievance redressal mechanism, and interface with families of employees helped us to enhance engagement level of our employees. Voluntary participation of employees in activities like family visits, sports & recreation, health related initiatives – blood donation, 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, 5"S", TPM provide opportunities for exchanges on the various employee-organization development related aspects.

We further drove our Reward & Recognition framework, to drive meritocracy, excellence & model behavior at the workplace. Involvement of Associates in activities like OTS, Employee of Month etc ensured effective, efficient & productive working.

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

Moser Baer ended FY 2012-13 with 4,381 employees as compared to 5,595 employees at the end of last financial year.

INTERNAL CONTROLS AND ITS ADEQUACY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company strives to maintain a dynamic system of internal controls and procedures.

The Company has an internal Audit department that reviews the systems and processes jointly with an external audit firm. The internal Audit department develops audit plans using an appropriate risk based methodology. This audit plan is submitted to the Audit Committee of the Board for review and concurrence at the beginning of the financial year. The Internal Audit Reports are presented and discussed with Audit Committee on a quarterly basis.

RISK MANAGEMENT

Risk management is an important element of planning for businesses and for dealing with contingencies. The Company is impacted by changes in the business environment from time to time that necessitate continuous evaluation and management of significant risks faced by its various businesses. The Company has put in place robust systems and processes, along with appropriate review mechanisms to actively and continuously monitor, manage and mitigate the identified risks. The process of formulating a defined risk assessment framework encompasses, inter-alia, a methodology for assessing and identifying risks on an ongoing basis, risks prioritising, risk mitigation, monitoring plan and comprehensive reporting on management of enterprise wide risks.

Key business risks and their mitigants are:

- Technology risk: A key challenge of the Company is to ensure that it is equipped with updated technologies in order to serve market and customers, secure cost competitiveness and maintain R&D leadership. To this effect, Moser Baer 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 lead OEMs for transfer and absorption of technological capability, regularly tracking and reviewing technology road map. The Company's R&D efforts have continued to be geared at improving existing processes to advance its cost competitive position.
- Business concentration risk: Being dependent on few large customers and concentrated in particular geography could have adverse effects on revenue in case of customer attrition or some of the regions not delivering as per expectation. The Company has taken significant steps such as 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 promotion of 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 and energy remained stable. While the Company continues to pursue cost reduction initiatives, an increase in price of input materials could severely impact our profitability to the extent such increase cannot be absorbed by the market through price increases and / or could have a negative impact on the demand. We will continue to focus on cost re-engineering, alternate sourcing, alternate material usage initiatives, increased use of alternative fuels 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: Through its global operations, the Company operates in several currency areas. The major currency used in its sales and procurement activities is the US 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. The Company suitably hedges the differential foreign exchange exposures.
- Liquidity and interest rate risk: The Company has faced difficult business conditions over the past few years, including periods in which its operations have been cash negative. Accordingly, the Company has been unable to meet in full its interest and repayment obligations under the terms and conditions of Rupee and foreign currency denominated indebtedness. As a result, it approached the lenders of secured debt to restructure such indebtedness pursuant to the corporate debt restructuring mechanism (the "CDR Mechanism"). The Company has executed the Master Restructuring Agreement (MRA)/ other definitive documents with lender banks and CDR implementation is underway. Completion of debt restructuring process leads to restructuring of loans with moratorium and extension of maturity and interest cost rationalization. The outstanding Foreign Currency Convertible Bonds (FCCBs) matured for redemption on June 21, 2012. The Company is in discussions with the bondholders through the Trustee, to re-structure these bonds. Successful implementation of CDR scheme and resultant improvement in operations, strict monitoring and judicious use of available funds will improve the liquidity position.
- Employee Related Risks: The Company's ability to deliver value is shaped by its ability to attract, train, motivate, empower and retain the best professional talent. These abilities need to be developed across the Company's operations. The Company continuously benchmarks HR policies and practices with the best in the industry and carries out the necessary improvements to attract and retain the best talent.

OPERATING PERFORMANCE REVIEW

Financial Analysis

Revenue Analysis

Revenues from operations in fiscal year 2012-13 decreased by 29.6% over the previous year to INR 14,663 million. Loss after tax increased to Rs. 4,592 million from Rs. 3,194 in FY 2012-13. EBITDA (including other income and after exceptional items) decreased to INR 793 million from INR 2,954 million in the previous financial year.

Fully diluted earnings per share for FY 2012-13 were INR (27.28) against INR (18.98) in FY 2011-12. The company generated INR 450 million cash from operations in FY 2012-13.

Capital Structure

There is no change in the capital structure of the company and paid up equity capital remained at INR 1,683 million as on 31st March, 2013. However paid up equity capital increased to INR 1,883 million on 30th May, 2013 on preferential allotment to promotor as per CDR restructuring and approval of share holders.

Reserves

The Company's reserves stood at INR 1,807 million in FY 2012-13 against INR 6908 million in FY 2011-12. There are no re-valuation reserves as on 31st March, 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 has also built a prudent basket of currency cover within its highly probable net revenue to hedge against currency risks and assures revenues. The company's net total debt on equity ratio increased during the year from 2.5 to 7.4 with reduction in net worth following reduction in reserves.

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 417 million of cash from operations. Foreign Exchange has been particularly volatile in the year, 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.

However, the company's net worth stands further eroded on account of accumulated losses and the company plans to take further steps to improve its performance as also comply with regulatory requirements.

Interest

Significant increase in interest rates by various banks but due to Corporate Debt Restructuring decreased the average cost of debt to 8.3 percent from 10.9 percent in the previous year. The outflow on account of interest and finance charges decreased to INR 1,967 Million in FY 13 from INR 2,390 Million in FY 12.

Capital Expenditure

Gross block of the Company increased by INR 219 million during FY 2012-13 to reach INR 45 billion.

Depreciation

Depreciation decreased significantly by 14.5% in FY 2012-13 (from INR 3,395 million to INR 2,902 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

In FY 2012-13, loans and advances, both long term and short term, increased to INR 2,148 million against INR 2,029 million in FY 2011-12.

Capital employed

The capital employed stood at INR 29,650 million as compared to INR 30,845 million in FY 2011-12.

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

Moser Baer's community Development initiatives are implemented by the Moser Baer Trust. Over the years, the Trust has been able to develop strong relationship with the local communities through participatory and proactive approach towards the overall socio economic development of the people.

EDUCATION

Taleem : "Taleem" aims at enhancing the relationship communities have with education by affecting learning behaviorally and structurally. So facilitating admissions of drop outs; providing Non formal education; supporting dropouts who have been granted admission into schools, facilitating the active participation of parents in the delivery of formal education and advocacy with the local government forms the crux of the operational strategy of "Taleem".

In 2012-13, MBT reached out to 145 illiterate young girls and women through Non Formal Education centers in four villages of Gautam Budh Nagar.

MBT also organized satellite classes for the children who never been to school during the months April to June in 5 villages and in the month of July 2012, **287 children were mainstreamed in the formal education system through enrolment drives, facilitation, mobilization and networking.** Moser Baer Trust has also been able to ensure the retention of more than 75% of the students, mainstreamed under the program through regular follow-ups with school and parents.

It was observed by that many students were unable to complete their secondary education (Class IX & X) due to difficulties in English, Science & Mathematics. This year, MBT started **support classes** at a very nominal cost. **Of the 12 students who attended these supported classes and appeared in class X exams, 7 passed with 1st division and 4 with 2nd division and only 1 could not clear the exam.**

Palna : Moser Baer Trust initiated a Community based Crèche i.e. PALNA to support girls attending Taleem NFE classes who were very irregular/unable to attend the classes because of the responsibility to look after their younger siblings in the absence of their parents, who are mostly migrant labourers. Children from 0-5 years were taken in the center. Nominal charges were taken as mostly parents of the crèche children are daily wages workers, domestic maids and others working in nearby companies. **Overall , 26 children availed the services of Palna, out of which 16 children came along with their siblings attending Taleem classes.**

Digital Literacy Program: For the rural youth, especially those living in urban peripheries, a knowledge deficit in computers is the biggest challenge in achieving gainful employment. It is this disadvantage, which Moser Baer Trust aims at addressing by providing essential computer training to students in their formative years and also the youth. Advanced computer programming and personality grooming sessions for the children are some of the major value additions which we were added to this program during 2012-13.

The program during the year 2012-13 reached out to 1972 youth (1162males and 810 females) through 8 centres in 65 villages of Noida and Greater Noida.

Another milestone in this project was an innovative computer lab that has been established to meet the challenge of electricity supply. In this lab at 11 monitors are running through only one CPU which is quite cost effective and environment friendly also.

Nayee Roshni: Youth is the harbinger of a modern society. It is this thought that has driven Moser Baer Trust's Nayee Roshni is a vehicle to enlist the participation of the youth in all the development programs of Moser Baer not only as a beneficiary but also as a willing volunteer for bringing about change in the society.

A total of 65 youth are associated with the program and participated in various activities & programs of the MBT such as running satellite centres, participated in Sarva Shikshan Abhiyan Rally, issues based theatre performance in their respective villages and participated in film making workshop organized by Cineart, an initiative of PVR Nest.

HEALTH

Aarogya : MBT believes that Health is one of the core areas of family well being which needs immediate attention especially in remote areas which are marred by low quality and erratic health services delivery. Project Aarogya, the oldest project of Moser Baer Trust, was launched with the dual objective to provide preventive and limited curative health care services to the villagers for whom the access to such services was a problem. As a part of continuous improvement process in its services, outreach and to address the long felt need of diagnostic services in its operational areas, MBT collaborated with Smile Foundation to start a comprehensive diagnostic health care programme called "Smile on Wheel" for its project area, a project which ended in March 2013.

A total of 6672 patients was catered to through the community based OPD and 2503 patients were given advanced and specialized medical services through Camps

PAHAL : The project is in partnership with NABARD (National Bank for Agricultural and Rural Development) aimed at empowering rural women by enhancing their livelihood opportunities and health practices in rural villages. Under this project, a low cost sanitary napkin manufacturing was established in a village in Noida (U.P.). With a focus to increase the market of the product during the year, MBT has successfully established link with ASHA worker, Aaganwadi, institutions and individuals as depot holders to supply the sanitary napkins to the users on profitable margin, thereby, providing an earning prospect for them and increasing the access to un-reached section of the society.

A total of 16907 sanitary napkins were produced in last financial year and total sale 9047 napkins through depot holders, partnership and exhibition.

LIVELIHOODS

Aakar: Aakar is livelihood initiative of the Moser Baer

trust to empower women through community based sustainable income generation activities. Aakar become an opportunity for the marginalized and poor women who needed and wanted to work but due to their family responsibilities, were unable to take up job which is fulltime / far away from home. Aakar has a provision of training of its members to develop their skilled to improving the capacity for increasing their per day income.

Recently, the 2nd Aakar centre has been established in Begampur village of Greater Noida

In the last financial year 2012-13, the Aakar benefited to 92 women of which 20 are from the newly initiated centre. In the last year, Aakar has received an order of Rupees 3,43,176/- from three companies including Moser Baer India Limited.

Due to flexibility in terms of time and work out put the amount earned by each member varies, however, the unit has been successful in providing 263 person days work to local women. Financially, it has been adding substantially to the Household incomes of the beneficiaries (30 to 60% increment in annual incomes)

YUVA: Youth Unfolding to Various Avenues (YUVA) is a skill development project that aims at empowering youth by imparting trainings into market driven skills for better livelihood opportunities through collaborations with various expert organizations.

Since 2008, a special community based training is being provided to young women to learn newer skills in addition to basic literacy. *During 2012-13, of the total 88 enrolled, 45 young women completed this USHA International certified course, 30 are still pursuing and 13 left the course midway.*

Another skill based training was with Empower Pragati for one month training for becoming a Debt Recovery Agent. A total of 16 Youth enrolled in the training program 10 passed the exam conducted by Indian Banking Institute and got job in various companies in NCR.

Apart from the above initiatives the Trust also facilitated Moser Baer's Employee Volunteer initiative AAVAHAN. Its annual stakeholder meet SANGAM was once again very successful in strengthening relationship

EHS Performance 2012-13

Moser Baer as an organization has achieved many milestones with regard to EHS (Environment, Health & Safety). The few achievements are as follows:

- Accident Rate reduction: Although the accident Rate should be always Zero and the same can be achieved through sustainable effort. Hence we have set out target performance by straight forward reduction of 10% by last year target set in Annual Business Plan. The set target for Accident rate was 3.26 for the reporting year 2012-13 which was achieved by 1.76.
- EHS Training: - Training rate is defined as training man hour / person/ year. Orientation training on EHS is mandatory for all new joiners. It includes job related safety, first-aid, fire fighting etc. Such training programs help to create awareness about necessary information to ensure safety of all personnel and materials. Our target for this reporting period was training of 3 hours/roll Employee/year. This year we have achieved beyond the target which is more than 3 hours/ Employee/year
- Emergency preparedness and response: Moser Baer is being nominated as Core member of the Off-Site Emergency panning by State administration. We have participated as expert advisor in Annual Mock Drill by District administration. This exercise is excluding of our own internal Mock drill and emergency response and preparedness.
- Member of JGPSSI (Japan Green Procurement Survey Standardization Initiative) and Green Partner Management system set by SONY JAPAN.
- Being a Energy efficient organization , this year we had save more than 50000 Carbon Foot Print and saved approx 5 million unit of electricity by enhancing equipment efficiency and various initiative of Energy Conservation.
- Implementation of Behavioral Based safety program with Work-life Balance to increase more partnership towards safety. This year we had done more than 20 workshops on Behavioral Based Safety.
- Received prestigious product certification "IEC 61646 and IEC 61730" Product certified by TUV InterCert for all solar modules. Moser Baer is the first company to received 5-Star quality certification for its solar modules.
- Successfully celebrated National Safety Day 4th March, more than 90% of employees participated in the various activities. First time print and Electronic media were present to capture the initiative set by EHS.
- Active participation in the seminar arrange by Dept of Labour on "Emerging Issue on Occupational Health and Safety"
- Waste management and recycling on continuous basis.
- Safety Campaign through National Safety Day, National Fire SERVICE Day, Ozone Day, Earth day, Earth Hours etc.
- Sustainable development initiative through Energy use at optimum level, Water Saving, reduction of food waste, minimization of use of paper,
- Employees well-being initiative through various bulletin, camps viz.

DIRECTORS' REPORT

Dear Shareholder,

Your Directors take pleasure in presenting their 30th Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended 31st March, 2013.

Financial Results

Particulars	(Rupees in Million)	
	Year ended March 31, 2013	Year ended March 31, 2012
Gross Sales, Service Income and other Income	15,463	21,283
Profit before Depreciation, Interest and Tax but after Prior Period Items	775	2,954
Depreciation / Amortization	3,418	3,758
Interest and Finance Charges	1,967	2,390
Profit before Exceptional Items and Tax	(4,610)	(3,194)
Exceptional Gain	18	-
Profit before Tax	(4,592)	(3,194)
Tax Expenses	-	-
Profit after Tax	(4,592)	(3,194)
Profit Carried Forward from Last Year	-	-
Profit Available for Appropriation	(4,592)	(3,194)
Appropriations:		
Dividend (Proposed)	Nil	Nil
Provision for Tax on Proposed Dividend	Nil	Nil
Transfer to General Reserve Account	Nil	(2,878)

Operations

Revenue for Financial Year 2013 stood at INR 15463 million, profit before depreciation, interest, exceptional items and tax stood at INR 775 million.

Market Development

Market environment and outlook

Storage Media Business

During FY 2012-13, while demand for Optical Media products declined in the developed markets, the Asia Pacific, Africa, Middle East & Latin America regions continued to develop as stable demand centers. The supply rationalization in the Optical Media industry which slowed during the year is expected to pick up again with several manufacturers expected to exit and curtail manufacturing capacities in the near future.

The trend of increasing demand for new generation Optical Media products like Blu-ray in mature markets such as USA and Europe continued with simultaneous softening of demand for the first generation products like CDs. 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 high growth in India and is witnessing an increase in popularity globally due to ease of use and declining per unit costs.

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 fortified our presence in this high margin product category during the year. 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.

During the year, the Company undertook several steps aimed at lowering the overheads and aligning resources with current levels of operations. The company consolidated all its manufacturing facilities at a single location to cut down on overheads and to extract supply chain synergies. Our current leaner setup benefits us through lower power consumption and lower fixed overheads. The company also right sized its employee base to align scale with 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 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 and a simultaneous increase in demand for the high margin advanced formats such as Blu-ray discs. In the Emerging Markets, such as Africa, Latin America etc., demand for DVDs 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 of its high quality standards, increase in its cost competitiveness and on widening of its distribution network.

Photo Voltaic Business

In 2012, the global PV industry witnessed record installations at 31.1 GW on account of sustained demand from Germany and robust increase in demand from Emerging Markets such as China, USA, Japan and India, which are likely to become the new growth drivers of the global solar PV market.

The Indian PV market too witnessed robust growth reaching 1.7 GW of cumulative capacity by end March 2013. While close to 80% of the PV installations have taken place in the States of Gujarat and Rajasthan, a number of other States such as Tamil Nadu, Andhra Pradesh, Punjab and Kerala have also announced Solar policies aimed at rapid penetration of solar power.

However, while demand remained strong in 2012, there was a massive global oversupply led by the huge capacity build-up in China based on local State support. This resulted in significant price declines which adversely affected PV manufacturers globally as well as in India. As a result, major countries/regions such as US & Europe adopted protectionist measures aimed at safeguarding their domestic solar industry, against dumping by China.

The Indian Govt is also reviewing the requisite policy & regulatory environment and is expected to impose Anti-dumping Duties on Solar PV imports from specific foreign countries, apart from domestic content regulations which are expected to boost domestic manufacturing industry in India.

During the year under review, Moser Baer's PV business was impacted by the adverse global environment of oversupply and price declines which resulted in a significant drop in capacity utilization and resultantly in severe liquidity and working capital constraints. Manufacturing was limited to the Module Line which was operated at low capacity utilization levels. However, the market focus was shifted to the high value added regions such as Japan which helped improve unit margins. We continue to focus on our R&D capabilities to optimize production processes and drive material efficiencies in our efforts to create sustainable competencies. During FY 2013, we also undertook several cost reduction measures including rightsizing of the organization aimed at aligning resources with current levels of operations. We plan to ramp up operations in line with the emerging opportunities in the Indian market & linked to announcement of Government policy initiatives and the implementation of the CDR scheme.

Our solar EPC business has consolidated its position as one of the leading players in the solar EPC market with over 250 MW of projects executed till date and with over 4 MW of Off-grid installations in operation. The business has developed rich experience and expertise in executing solar EPC projects of different sizes across terrains and technologies in record timeframes.

The PV subsidiaries were earlier admitted to the Corporate Debt Restructuring Cell and the Scheme is currently under implementation. Definitive agreements have been signed for both the subsidiaries by majority of the lenders and other implementation formalities are currently being worked upon. Successful implementation of CDR schemes of our PV subsidiaries will provide the requisite liquidity and restructure the current debt maturities thereby enabling us to meet the near term challenges.

While the short term industry environment remains challenging, the long term potential remains intact and signs of recovery appear to be on the horizon with price declines tapering off from early 2013 and increase in capacity utilization levels especially amongst the global Tier I players.

Home Entertainment Business

In 2012, the Indian Media & Entertainment (M&E) industry grew by 12.6% Y-o-Y to reach INR 821 billion on the back of strong growth within the 'Films' sector and continued rise in digitization.

Moser Baer's Entertainment business continues to remain one of the leading players within the home entertainment space in India on the back of its wide content portfolio offered in multiple Indian languages. Our content portfolio spans different genres such as films, religious, mythological, TV serials, kids' content, health and wellness content. We are focused on providing high quality content at reasonable prices to Indian consumers and have created a wide distribution network aimed at making our offerings available across the country.

According to KPMG study, the overall M&E industry in India is expected to grow at a CAGR of 15.2% to reach INR 1,661 billion by 2017. This growth is expected to be led by rise in consumption of digital content, emergence of diverse content delivery platforms, strong consumption in Tier II and Tier III cities, increasing footprint of the players in the regional media, and growth in new media businesses.

Subsidiary Companies

As per section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Balance Sheet and Profit & Loss Account 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 2012-13 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 & loss to the shareholders for the financial year 2012-13. 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 year 2012-13, your directors do not recommended any dividend for the year.

Directors

In terms of the provisions of Section 255 and 256 of the Companies Act, 1956, Mr. Frank Dangeard, and Mr. Vineet Sharma (Directors) retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Auditors

Your Company's Statutory Auditors, M/s Walker, Chandio & Co. (FRN No. 001076N), Chartered Accountant, 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 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 year under review, the Compensation Committee of the Board of Directors has not granted any new options to employees of the Company under any of 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\$75,000,000 Zero Coupon Tranche A Convertible Bonds and US\$75,000,000 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 USD 61.1 million. The conversion price of these Bonds have 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 year ending March 31, 2013 reflect outstanding FCCBs with face value of INR 4,805.1 million (equivalent to USD 88.5 million), along with premium on redemption of INR 1,784.8 million. The Company is currently in process of restructuring the outstanding FCCBs.

The Company has applied for relevant regulatory approvals and meanwhile is in discussions with the bondholders through the Trustee, to re-structure these bonds. The trustee on behalf of certain bondholders has also filed a petition under section 434 of the Companies Act, 1956 with Hon'ble High Court of Delhi, which is pending.

Debt Restructuring and Business Strategy

The CDR scheme of MBIL as well as of its PV companies has been approved and is under implementation. A debt of INR 23,700 million for Moser Baer India Ltd., INR 8,650 million for Moser Baer Photovoltaic Ltd. and of INR 10,350 million for Moser Baer Solar Ltd. has been conclusively restructured, additional funds provided and interest funded.

A Techno-Economic Valuation study was conducted for Moser Baer India Ltd. by an independent third party consultant appointed by Central Bank of India (CBI). This study involved a detailed viability analysis of the industry, competition, future cash flows of the company and the new technology initiatives leveraging existing capabilities and infrastructure. The consultant took cognizance of the long term growth potential of the industry and the management strength and based on its future cash flow estimates of the company recommended/ proposed the debt restructuring scheme to CBI.

The Company has executed the Master Restructuring Agreement (MRA) / other definitive documents with all (except one) lender banks on December 27, 2012 and has also fulfilled pre-requisite conditions for implementation of the CDR Scheme. Subsequently an amended agreement was signed on March 30, 2013. Accordingly, the CDR scheme has been accounted for in the books of the accounts for the quarter and year ended March 31, 2013.

Moser Baer Photovoltaic Limited (MBPV), one of the subsidiaries of the Company also has executed the MRA/ other definitive documents with all lender banks on January 18, 2013 and has also fulfilled pre-requisite conditions for implementation of the CDR Scheme. Accordingly, the CDR scheme has been accounted for in the books of the accounts of MBPV for the year ended March 31, 2013.

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 is ongoing. Accordingly, CDR scheme has not been implemented in books of accounts of MBSL for the year ended March 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 year 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

The Company is committed to maintain the higher standard of Corporate Governance. The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance Practice and have implemented all the stipulation prescribed.

A detailed report on Corporate Governance pursuant to the requirement of clause 49 of the listing agreement forms part of the annual report. 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. A certificate from the auditor of the Company M/s Walker, Chandiook & Co., Chartered Accountants, confirming compliance of conditions of corporate governance as stipulated under clause 49 is annexed to the Report.

Listing at Stock Exchanges

The Shares of the Company continue to be listed on the Bombay Stock Exchange and National Stock Exchange. The annual listing fees for the year 2013-2014 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 March, 2013 and its profit for the year 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 have also met leading international quality benchmarks through our strong focus on internal Quality Management processes. This, indeed, is how your Directors propose to drive the business endeavours, as we face the future with great optimism and confidence.

Your Directors place on record their appreciation for the overwhelming 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

Sd/-

Place: New Delhi
Date: 8th August, 2013

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 MARCH, 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	154,050	475,000	926,874
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	5,659,075	225,000	1,501,173
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	154,450	500,000	1,532,237
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. 27.28)		
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. 48,041,866	
15	The impact of this difference on profits & on EPS of the Company		Impact on profit- Rs. 48,041,866 Impact on EPS (basic)- Rs. (27.28) Impact on EPS (Diluted)-Rs. (27.28)	
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
1 st Grant on 11 th August, 2005	2.5 years
2 nd Grant on 12 th December, 2006	2.5 years
3 rd Grant on 25 th January, 2007	2.5 years
4 th Grant on 19 th June, 2007	2.5 years
5 th Grant on 29 th 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
1 st Grant on 9 th January 2004	3 years
2 nd Grant on 29 th November 2004	2.5 years
3 rd Grant on 27 th January 2005	2.5 years
4 th Grant on 24 th June, 2005	2.5 years
5 th Grant on 17 th August, 2005	2.5 years
6 th Grant on 27 th October, 2005	2.5 years
7 th Grant on 24 th January, 2006	2.5 years
8 th Grant on 26 th April, 2006	2.5 years
9 th Grant on 7 th June, 2006	2.5 years
10 th Grant on 27 th October, 2006	2.5 years
11 th Grant on 24 th January, 2007	2.5 years
12 th Grant on 30 th April, 2007	2.5 years
13 th Grant on 11 th July, 2007	2.5 years
14 th Grant on 25 th October, 2007	2.5 years
15 th Grant on 30 th January, 2008	2.5 years
16 th grant on 17 th April, 2008	2.5 years
17 th grant on 29 th April, 2008	2.5 years
18 th grant on 30 th July, 2008	2.5 years
19 th grant on 22 nd October, 2008	2.5 years
20 th grant on 23 rd October, 2008	2.5 years
21 st grant on 30 th January, 2009	2.5 years
22 nd Grant on 28 th April, 2009	2.5 years
23 rd Grant on 29 th 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
1 st Grant on 28 th January 2010	2.15 years
2 nd Grant on 12 th March, 2010	2.15 years
3 rd Grant on 12 th August, 2010	2.15 years
4 th Grant on 29 th October, 2010	2.15 years
5 th Grant on 09 th February, 2011	2.15 years

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

As-sump-tions:-	Grant Date-9/1/04 (Options subse- quently can- celled)	Grant Date- 29/11/04	Grant Date- 27/01/05	Grant Date- 24/06/05	Grant Date- 17/08/05	Grant Date- 27/10/05	Grant Date- 24/01/06	Grant Date- 26/04/06	Grant Date- 07/06/06	Grant Date- 27/10/06	Grant Date- 24/01/07	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
Ex- pected Multiple	1.25x	1.25x	1.25x	1.25x	1.25x	1.25x	1.25x	1.25x	1.25x	1.25x	1.25x	1.25x	1.25x	1.25x	1.25x
Ex- pected 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)
Ex- pected Divi- dends	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 years)	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 un- derlying 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 29 th 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 22 nd October 2008)	7.41% (for 5 years, source-NSE/ Reuters as on 22 nd October 2008)	6.17% (for 5.08 years, source-NSE/ Reuters as on 29 th Jan, 2009)	5.95%(for 4.98 years, source-NSE/ Reuters as on 27 th April, 2009)	6.32% (for 4.71 years, source-NSE/ Reuters as on 28 th 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	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 11 th Aug 2005)	7.56% (for 4.58 years, source-NSE/ Reuters as on 12 th Dec 2006)	7.68% (for 4.58 years, source-NSE/ Reuters as on 25 th Jan 2007)	7.87% (for 4.32 years, source NSE/ Reuters as on 19 th June, 2007)	6.11% (for 5.68 years, source-NSE/ Reuters as on 29 th 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 underlying 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-28/01/10	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 11 th August, 2010)	7.72% (For zero coupon interest rate on Government Securities derived from zero coupon yield curve as on 28 th October, 2010)	8.03% (For zero coupon interest rate on Government Securities derived from zero coupon yield curve as on 8 th 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 underlying share in market at the time of option grant (in Rs.)	71.11	73.86	62.80	66.40	46.30

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 year ended 31st March, 2013.

A. Conservation of energy

Through internal development and efforts on energy saving, we have achieved a cumulative saving of 340 KW with an additional investment of Rs 4 million.

- i) As per consultant's report some major energy saving projects will be implemented to reduce the further Plant load with an investment of Rs. 25 million. We hope to reduce the Plant load consumption by 400 KW in the year 2013-14.

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

Since technology plays a bigger role in our ability to

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

- 1) Moser Baer continued to develop BDR/RE format and successfully assimilated this technology from OM&T. Development of BDR 1X-6X format completed. This format is fully verified and achieved 100 % Drive compatibility.
- 2) MBIL developed dye based BDR 1X-6X which got verified by BD association. This format has achieved 100 % drive compatibility during the year.

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

- 2.1 MBIL captured appreciable market share in BDR and BDRE in Japan market which is one of the predominant country who adopted these advance storage media. BDR 1X-4X, BDR 1X-6X and BDRE 1X-2X got qualification from almost all OEM and ODM brands.
- 2.2 MBI with active collaboration of Mitsubishi Chemical (MKM) has developed BDR 1x – 6x (L to H) media with MBI code based on organic dye, which will act as active recording material. The product is now fully verified by BDA association and achieved full fledged drive compatibility.

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

offer a complete basket of products to our customers. Our company thus, has entered into various agreements at national and international level with leading research and academic institutes and world leading technology companies globally. During the year, a number of agreements were completed to co-develop technology with these partners whose R&D efforts are complementary to our technology development program. This technology has been successfully incorporated into some of the company's products and an ongoing effort is being made to improve the utilization of this technology and produce newer innovative products based on this technology.

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.

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 develop BDR/RE format and successfully developed different product variants to meet customer requirement.
- 1.1.2. Development of BDR 1x-6x format completed – this establishes Moser Baer as leading technology player in this format. This format is fully verified by major customers and achieved 100 % Drive compatibility.
- 1.1.3. MBI with active collaboration of Mitsubishi Chemical (MKM) has developed BDR 1x – 6x (L to H) media with MBI code based on organic dye, which will act as active recording material. This format is fully verified by BDA association, Japan and achieved 100% drive compatibility.

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

- 1.2.1. BDRE2x (Philips MID) qualified by Sony, Maxell, ICJ and Imation.
- 1.2.2. BDRE2x –Panasonic ODM process qualified
- 1.2.3. Working with Sony, Panasonic for BDR ODM/OEM process development and qualification.
- 1.2.4. BDR 1X-4X qualification with Sony is under final stage
- 1.2.5. BDR 1X-6X qualified by Maxell & with Sony is under progress. We are also producing & shipping BDR 1X-6X TO NON OEM customers
- 1.2.6. BDR 1x-6x MBI MID “White Thermal Surface” qualified by Imation.

1.3. Printable Surface

- 1.3.1. BDRE White Inkjet printable product developed for Panasonic.
- 1.3.2. Smooth finish inkjet printable CDR also qualified by Maxell.
- 1.3.3. Developed smooth finish inkjet printable / white thermal printable CDR & DVDR product for Kodak.

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.

- 1.4.2. Contributed towards greener environment - company initiated to recycle 15% of scrap nickel at stamper manufacturing.

1.5. Cost competitiveness projects: -

- 1.5.1. MBI has developed alternate cheaper reflective target instead of expensive Silver alloy in BDR/RE and successfully qualified
- 1.5.2 MBI successfully developed an in-house facility for plating the mirror with Chrome as an import substitute to gain substantial savings in cost.

1.6. Materials Development for Optoelectronics Application

- 1.6.1 Successfully developed hybrid nano composite lacquer for light extraction application for light devices.
- 1.6.2 Successfully developed high refractive index lacquer for optoelectronic application.

1.7 Extension of Asset Life

- 1.7.1 Successfully converted Shibaura multi-chamber sputtering machine used for DVDRW for manufacturing BDR and BDRE.

2 New Initiatives

- 2.1 Creation of state of art analytical lab for analysis and evaluation of devices and materials.
- 2.2 Initiated a Nano-particle development and formulation activities under materials development program for opto-electronics applications.

3 Research Grants: -

- 3.1 Awarded a joint project along with IIT, Delhi on “Innovative Light Technology for white OLED”.

4 Collaborations: -

- 4.1 Moser Baer Signs MoU with IIT, Kanpur for R&D on materials, devices and processes related to future renewable energy generation and energy efficient systems.
- 4.2 Moser Baer Signs MoU with C-MET, Pune for R&D on “Hybrid Solar Cells based on Organic Polymers and Inorganic Nano particles”.
- 4.3 Moser Baer signs MoU with Delhi Technical University for joint R&D program on polymeric and other related materials for advance devices.

5 New Equipment added in R & D Lab

No major equipment in R&D acquired during 2012-13.

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

- 6.1 Blu-ray disc is the next generation optical disc format being developed for high-definition video

and high-capacity software applications. A single-layer Blu-ray disc will store up to 25 gigabytes of data and a double-layer Blu-ray disc up to 50 gigabytes of data. Blu-ray discs offer 1920 x 1080p HD master quality for high definition audio and video applications.

- 6.2 Design & development of BDR/RE lines from conversion of DVDRW lines with in-house effort is an alternative use of existing assets and to reduce CAPEX cost for BDR/RE.
- 6.3 Developed alternative cheaper Silicon and phase change targets & Cover lacquer material to reduce the production cost of BDR/RE
- 6.4 The development of unique six layers stack for BDR 1X-6X to improve the product reliability and yield .This process is under production after validation
- 6.5 MBIL has developed new materials-, hybrid nano-composite lacquer suitable for internal light extraction layer (ILE) for OLED application. The ILE demonstrated >30% enhancement in light out-coupling or white OLED devices. Patent is being filed for the same. This clearly establishes MBIL capability to work on future technology in lighting field.
- 6.6 MBIL has developed a high refractive index (HRI) lacquer (RI > 1.8) for optoelectronic applications. This material demonstrated 15% increase in light output while using as an intermediate layers between LED chip and protective layers. This will result significant competitive advantage in market place.
- 6.7 New projects to develop value added products using existing assets capabilities could potentially be a game changer and reduce the depreciation of equipments on optical media significantly.
- 6.8 Grant of patents
 - 6.8.1 USA - MBI was granted their first patent in USA. This patent offers a unique eco-friendly packaging made with 100% recyclable materials helping in reducing

carbon footprints. It is under green initiative being driven at MBI.

Europe: - MBI has been granted its first overseas patent titled "Method of Printing on a disc". This patent was filed and granted in Europe. This patent will be valid in major European countries like Denmark, Germany, Spain, France, Great Britain, Austria, Belgium, Czech Republic and Netherlands

- 6.8.2 Several patents are being filed to enrich and protect our IP rights.

7 Future plan of actions:

- 7.1 Planning to develop BDR DL which will have the capacity of 50 GB and preliminary samples prepared are under evaluation with drive makers.
- 7.2 MBI will continue to focus to develop 1x-6x Dye based Organic BDR through in-house effort.

Expenditure on R&D

Capital expenditure of Rs 41 million and recurring expenses of Rs. 172 million were incurred during the year towards R&D expenses, which is 1.2% of Net Revenue of the company.

These expenses are part of expenses incurred under various revenue or Capital Heads.

C. Foreign exchange earnings and outgo

Total foreign exchange earned comprising of FOB value of exports, interest, insurance claims and dividend received was Rs 9,438 million, where as total foreign exchange used (comprising of CIF value of imports, dividend and other outgoings) was Rs. 4,991 million.

For and on behalf of the Board of Directors

Moser Baer India Limited

Sd/-

Place : New Delhi
Date : August 8, 2013

Deepak Puri
Chairman & Managing
Director

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

A well-defined and enforced corporate governance provides a structure that works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as to formal laws.

Good corporate governance evolves with the growth and changing circumstances of a company and must be tailored to meet those circumstances. Corporate governance is about commitment to values and about ethical business conduct. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. 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. Consequently, the organization is able to attract investors, and to enhance the trust and confidence of the stakeholders. 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 system by which companies are directed and managed. Good corporate governance structures encourage companies to create value (through entrepreneurship, innovation, development and exploration) and provide accountability and control systems commensurate with the risks involved.

Moser Baer believes in ensuring true Corporate Governance Practices to enhance long term shareholders' value through corporate performance, transparency, integrity and accountability.

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 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.

Independence of the board is critical for ensuring that the board fulfils its oversight role objectively and holds the management accountable to the shareholders. 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.

Definition of 'Independent Director' as per Clause 49 of the Listing Agreement

'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. owning two percent or more of the block of voting shares.
- Is not less than 21 years of age.

COMPOSITION OF BOARD

As on March 31, 2013 strength of the Board was seven which comprises of Two Executive Directors and Five Non – Executive Directors.

The present strength of the Board is six. The Board comprises of Two Executive Directors and Four Non-Executive Directors. Three Non-Executive Directors of the Company are independent. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions. During the period under review, following changes were made in the Composition of the Board:

- Mr. Rajesh Khanna resigned as Non-Executive Director with effect from June 8, 2012.
- Mr. Prakash Yashwant Karnik resigned as Non-Executive Director with effect from July 11, 2012.
- Mr. Ratul Puri resigned as Executive Director with effect from April 30, 2012 and as Non-Executive Director with effect from November 16, 2012.

- Mr. V N Koura, resigned as Non-Executive Director with effect from January 16, 2013.
- Mr. Vinod Kumar Bakshi resigned as Non-Executive Director with effect from February 9, 2013.
- Dr. Vinayshil Gautam resigned as Non-Executive Director with effect from April 1, 2013.
- Mr. Sanjay Jain appointed as alternate Director to Mr. Bernard Gallus on 6th August, 2013. He is an independent and Non-Executive Director.

The names and categories of Directors, the number of Directorships and Committee memberships held by them in the Companies are given below. None of the Director is a Member of more than 10 Committees and Chairman of more than 5 Committees excluding the memberships in private limited companies, foreign companies and companies incorporated under Section 25 of the Companies Act, 1956 (as specified in Clause 49 of the Listing Agreement), across all companies in which he is a Director.

COMPOSITION OF THE BOARD AS ON MARCH 31, 2013:

Name of the director	Category	Equity Investors represented	Number of equity shares and warrants held by the non-executive directors	No. of other directorships in public companies including private companies which is a subsidiary of public company (excluding foreign companies and private limited companies)	No. of committee membership (only Audit and Investor Grievance Committees, including MBL's committees)	
					Chairman	Member
Mr. Deepak Puri	Promoter and Executive	N.A.	N.A.	10	2	4
Mrs. Nita Puri	Executive	N.A.	N.A.	10	2	3
Mr. John Levack	Non-Executive and Nominee	Electra Partners Mauritius Limited.	Nil	1	1	0
Mr. Bernard Gallus	Independent and Non-Executive	N.A.	Nil	2	0	2
Mr. Frank E. Dangeard	Independent and Non-Executive	N.A.	Nil	2	0	2
Mr. Vineet Sharma	Independent and Non-Executive	N.A.	Nil	4	0	1
Dr. Vinayshil Gautam	Independent and Non-Executive	N.A.	Nil	2	0	3

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 financial year 2012-2013 the Board met six times on the following dates:

- May 11, 2012
- June 19, 2012
- August 03, 2012
- November 9, 2012
- February 8, 2013
- March 20, 2013

ATTENDANCE RECORD OF DIRECTORS

Name of the Director	Board meetings held during the year	Meetings Attended		Attended last AGM held on Friday, December 14, 2012
		Present in person	Attended through audio/ Video conferencing	
Mr. Deepak Puri	6	6	0	Yes
Mrs. Nita Puri	6	6	0	No
Mr. Prakash Karnik*	6	1	1	No
Mr. John Levack	6	3	2	No
Mr. Bernard Gallus	6	0	6	No
Mr. Ratul Puri [§]	6	4	0	No
Mr. V. N. Koura ⁺	6	3	0	Yes
Dr. Vinayshil Gautam**	6	4	1	No
Mr. Rajesh Khanna [@]	6	1	0	No
Mr. Frank E. Dangeard	6	2	4	No
Mr. Vinod Kr. Bakshi [^]	6	4	0	No
Mr. Vineet Sharma	6	0	0	No

* Mr. Prakash Karnik resigned as Non-Executive Director with effect from July 11, 2012.

§ Mr. Ratul Puri, resigned as Executive Director with effect from April 30, 2012, and from Directorship of the Company with effect from November 16, 2012.

+ Mr. V N Koura resigned as Non-Executive Director with effect from January 16, 2013.

** Dr. Vinayshil Gautam resigned as Non-Executive Director with effect from April 1, 2013.

@ Mr. Rajesh Khanna resigned as Non-Executive Director with effect from June 8, 2012.

^ Mr. Vinod Kumar Bakshi resigned as Non-Executive Director with effect from February 9, 2013.

3. BOARD COMMITTEES

Your Company has the following Board Committees: Audit Committee, Compensation Committee, Investors' Grievance Committee, Corporate Governance Committee, Capex Committee, Banking and Finance Committee, Bidding Support Committee, Project Dezire Committee Corporate Social Responsibility Committee and FCCB Committee and the guidelines for these Board Committees are set out below.

The Board is responsible for constituting, assigning, co-opting and fixing terms of service for the Committee Members of various Committees and delegates these powers to the Committees. Recommendations of the Committees are submitted to the Board of Directors for approval.

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.

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.

The composition of the Audit Committee and the details of meetings attended by the Directors are given below:

Members	Committee held during the year	Meetings attended
Mr. V. N. Koura (Chairman)*	4	3
Mr. PrakashKarnik**	4	1
Mr. Bernard Gallus	4	4 [#]
Mr. Frank E. Dangeard	4	2+1 [#]
Mr. Deepak Puri ⁺	4	1
Mr. Vineet Sharma \$	4	NA
Mr. Sanjay Jain \$	4	NA

* Mr. V N Koura resigned as Non-Executive Director with effect from January 16, 2013.

** Mr. Prakash Karnik resigned as Non-Executive Director with effect from July 11, 2012.

+ Mr. Deepak Puri appointed as member of the committee with effect from February 1, 2013.

\$ Mr. Vineet Sharma & Mr. Sanjay Jain appointed as member of the committee with effect from August 6, 2013.

[#] Meeting attended through Video conferencing.

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

(iii) Meetings

During the year, the Committee met four times on the following dates:

- (i) May 11, 2012
- (ii) August 3, 2012
- (iii) November 8, 2012
- (iv) February 7, 2013

The gap between two meetings did not exceed four months.

B. 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) Composition

At present the Committee consists of three members Mr. John Levack, Mr. Bernard Gallus and Mr. Frank E Dangeard. During the year under review, no meeting of Compensation Committee was held.

The Company Secretary acts as the Secretary of the Committee.

(ii) Terms of reference

- a) The Compensation Committee discharges the Board's responsibilities relating to compensation of the Company's Executive Directors.
- b) The Compensation Committee has the overall responsibility for approving and evaluating the Executive Directors' compensation plans, policies and programmes of the Company.
- c) The Compensation Committee administers the Employees Stock Option Plan (ESOP) and the Directors' Stock Option Plan (DSOP) of the Company.

(iii) Responsibilities and authorities of the Compensation Committee

- a) The Compensation 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) and Mrs. Nita Puri (Whole Time Director) during the year 2012- 2013 are as follows:

(Amount in Rs.)

Particulars	Mr. Deepak Puri, Managing Director	Mrs. Nita Puri, Whole Time Director
Salaries, allowances and bonus	48,00,000	36,65,180
Contribution to Provident Fund	-	4,39,820
Perquisites	-	1,45,000
TOTAL	48,00,000	42,50,000

Note

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 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 year, as approved by the Compensation Committee and considered by the Board. No stock options were granted to the Executive Directors of the Company.

b) Non-Executive Directors

The Company does not have any pecuniary relationship with any of its non-executive Directors 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 upto 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. PrakashKarnik*	1,00,000	50,000
Mr. John Levack	1,00,000	50,000
Mr. Bernard Gallus	1,00,000	50,000
Mr. V.N Koura**	1,00,000	50,000
Dr. VinayshilGautam***	1,00,000	50,000
Mr. Frank E. Dangeard	1,00,000	-

* Mr.Prakash Karnik resigned as Non-Executive Director with effect from July 11, 2012.

** Mr.V N Koura resigned as Non-Executive Director with effect from January 16, 2013.

*** Dr.VinayshilGautam resigned as Non-Executive Director with effect from April 1, 2013.

(ii) Commission

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

(iii) Sitting Fees

During the year 2012-13, the non-executive Directors were paid a 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. Bernard Gallus, Mr. Vineet Sharma and Mr. Frank E. Dangeard 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. INVESTORS' GRIEVANCE COMMITTEE

(i) Composition

The composition of the Committee and the details of meetings attended by the Directors are given below:

Members	Committee meeting held during the year	No. of meetings attended
Mr. John Levack (Chairman)	4	3+1#
Mr. Prakash Karnik*	4	1
Mr. Deepak Puri	4	4
Mrs. Nita Puri	4	4
Mr. Bernard Gallus	4	4#

*Mr. Prakash Karnik resigned as Non-Executive Director with effect from July 11, 2012.

The Company Secretary acts as the Secretary of the Committee.

(ii) Terms of reference

The Investors' Grievance Committee looks into redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of Annual Reports, non-receipt of dividend and allied matters.

(iii) Meetings

During the year, the committee met four times on the following dates:

- i. May 11, 2012
- ii. August 3, 2012
- iii. November 8, 2012
- iv. February 7, 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, 2012 to March 31, 2013

Nature of the complaints	Received	Replied satisfactorily	Pending
Relating to transfer, transmission, etc.	0	0	0
Relating to dematerialization	0	0	0
Relating to dividend	9	9	0
Relating to bonus	0	0	0
Relating to Annual Report	1	1	0
Relating to miscellaneous matters	1	1	0
TOTAL	11	11	0

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

D. CORPORATE GOVERNANCE COMMITTEE

(i) Composition

The Committee, comprises of three members i.e., Mr. John Levack, Mr. Deepak Puri and Mr. Bernard

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. CAPEX COMMITTEE

This committee was formed to direct the Capital expenditure for whole of the Moser Baer India Limited's Group Companies and to review, approve the expansion plans, Annual Capital Budget and to monitor the progress of major Capital projects versus the Annual Business Plan on a quarterly basis.

Mr. Ratul Puri and Mr. John Levack were two members of the Committee. The Company Secretary acted as the Secretary of the Committee. The Committee became inoperative with the resignation of Mr. Ratul Puri on November 16th, 2012. Further, in view of CDR implementation this committee was formally dissolved in the meeting of the Board of Directors held on February 8th, 2013.

F. 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

G. BIDDING SUPPORT COMMITTEE

(i) Composition

Mr. Frank E Dangeard and Mr. John Levack are the members of the Committee.

(ii) Purposes and Role of the Committee

The purposes of the Bidding Support Committee of the Board of Directors is to assist and act on behalf of the Board in the evaluation of transaction proposals where Moser Baer India Limited's financial and technical credentials are to be used by other group/ affiliate companies for bidding and the required timelines for the approval of such a transaction proposal would not permit the transaction proposal to be brought before a regular meeting of the Board and/or a special meeting of the full Board is not practical or merited.

H. PROJECT DEZIRE COMMITTEE

(i) Composition

Mr. Deepak Puri is the Chairman of the Committee. Other members of the Committee are Mr. John Levack & Mr. Frank E Dangeard. The Company Secretary acts as the Secretary of the Committee.

(ii) Terms of reference

The Project Deziire 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 paripassu 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, upto 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, upto 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.

I. 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. Bernard Gallus.

(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.

J. FCCB Committee

During the year under review the Board of Directors Constituted FCCB Committee 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 FCCBs Committee were as follows:

Mr. Deepak Puri is the Chairman of this committee, the other members of committee are Mr. Frank E Dangeard and Mr. John Levack. Company Secretary acts as Secretary to the Committee.

The Committee is authorized to do the following acts:

1. 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);
2. 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;
3. To finalise and send notices to the Trustee and/ or the Outstanding Bondholders;
4. 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;
5. 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);

6. 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;
7. 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;
8. 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);
9. 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;

K. 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 one of its independent directors Mr. Bernard 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. 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
Thursday, April 26, 2012 to Saturday, May 12, 2012	Consideration of un-audited financial results for the quarter ended March 31, 2012.	Friday, May 11, 2012
Friday, June 22, 2012 to Monday, July 2, 2012	FCCB Committee Meeting	Tuesday, June 26, 2012
Thursday, July 19, 2012 to Friday, August 3, 2012	Consideration of the unaudited financial results for the quarter ended on June 30, 2012.	Friday, August 3, 2012
Wednesday, October 24, 2012 to Saturday, November 10, 2012	Consideration of the Unaudited financial results for the quarter ended on September 30, 2012 and audited financial results for the year ended on March 31, 2012.	Friday, November 9, 2012
Thursday, January 24, 2013 to, Saturday, February 9, 2013	Consideration of un-audited financial results for the quarter ended December 31, 2012	Friday, February 8, 2013

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

General Meeting	Date	Time	Venue
Annual General Meeting	September 30, 2010	9.30 A.M.	FICCI Golden Jubilee Auditorium, Federation House, TansenMarg, New Delhi- 110001
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

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

Date of AGM	Special Resolutions
September 30, 2010	a) To consider the matter relating to the alteration of the existing Clause 5 of the Articles of Association of the Company.
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, 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.

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 August 6, 2012 and May 20, 2013. The details are as given below:

Special Resolutions passed through Postal Ballot on August 6, 2012

1. Issue of Capital and restructuring of outstanding foreign currency convertible bonds;
2. Alteration of capital clause (V) of the Memorandum of Association of the Company.
3. Alteration of Articles of Association of the Company.

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.

6. 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 March 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 year.
- 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.

7. 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 year under review are as under :	Publication Date
Unaudited financial results for the quarter ended on March 31, 2012	May 13, 2012
Unaudited financial results for the first quarter ended June 30, 2012	August 5, 2012
Unaudited financial results for the second quarter ended on September 30, 2012 and Audited Financial results for the year ended March 31, 2012	November 11, 2012
Unaudited financial results for the third quarter ended December 31, 2012	February 10, 2013
Audited financial results for the fourth quarter ended on March 31, 2013	June 1, 2013

- 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 year 2012-13.

First quarter- on or before August 15, 2013
 Half yearly- on or before November 15, 2013
 Third quarter- on or before February 15, 2014
 Fourth quarter and annual- May 30, 2014

8. 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.

9. GENERAL SHAREHOLDER INFORMATION

a) 30th ANNUAL GENERAL MEETING

Date : September 30th, 2013

Time : 09:30 A.M

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

b) FINANCIAL CALENDAR : April to March

For the year ending March 31, 2014, results will be announced by

f) TOP TEN SHAREHOLDERS AND THE SHAREHOLDERS HOLDING MORE THAN 1% OF SHARE CAPITAL

Shareholder holding more than 1% and more shares as on 31st March, 2013

S.No	Name of the Shareholder	No. of Shares	Percentage of Shares
1.	Mr. Deepak Puri	23,013,857	13.67
2.	International Finance Corporation	15,076,791	8.96
3.	Electra Partners Mauritius Ltd.	9,960,345	5.92
4.	Deepak Puri (HUF)	4,406,284	2.62
5.	Mario Oscar Francis Lobo	2,144,971	1.27
6.	Vandana Bhargawa	8,00,000	0.48
7.	Sunflower Broking Private Limited	7,84,680	0.47
8.	Karvy Stock Broking Ltd (Bse)	6,00,000	0.36
9.	Bonanza Portfolio Ltd	5,34,175	0.32
10.	Pankaj Jain HUF	5,24,699	0.31
	TOTAL	57,845,802	34.38

g) STOCK PRICE DATA

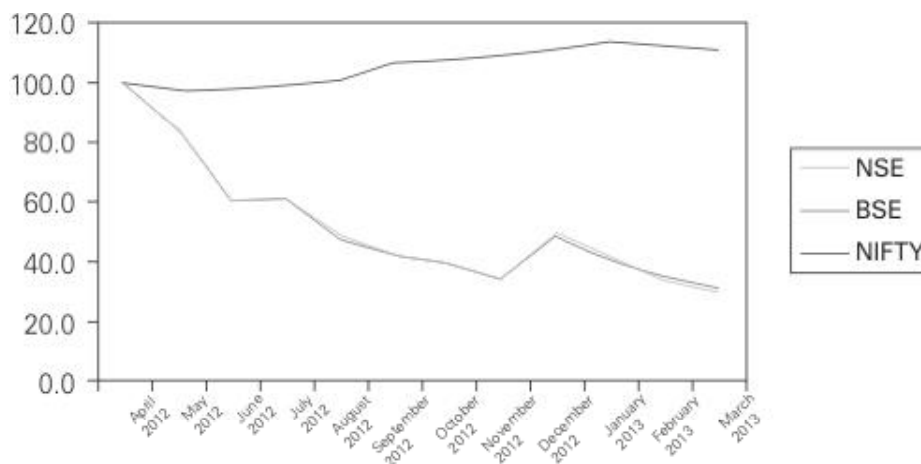
Stock Market Data at BSE and NSE for the period April 1, 2012 to March 31, 2013

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

MONTHS	BSE		NSE	
	Highest	Lowest	Highest	Lowest
April, 2012	17.60	14.15	17.60	14.20
May, 2012	14.82	9.90	14.85	9.90
June, 2012	10.70	8.77	10.70	8.65
July, 2012	10.74	7.75	10.75	7.75

August, 2012	8.30	5.48	8.45	5.45
September, 2012	7.45	5.50	7.45	5.45
October, 2012	7.02	5.50	7.05	5.55
November, 2012	6.20	4.61	6.20	4.60
December, 2012	8.58	5.20	8.65	5.25
January, 2013	7.20	5.82	7.45	5.70
February, 2013	6.25	4.95	6.20	4.90
March, 2013	5.60	4.20	5.50	4.20

h) STOCK PERFORMANCE IN COMPARISON TO NSE INDEX (S&P CNX NIFTY):-



i) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2013

No. of Equity Shares held	No. of shareholders	Percentage of shareholders	No. of shares	Percentage of shares
1-500	103701	78.6752	14585398	8.6660
501-1000	12975	9.8438	10735152	6.3783
1001-2000	7102	5.3881	11065752	6.5748
2001-3000	2593	1.9672	6747609	4.0091
3001-4000	1203	0.9127	4388596	2.6075
4001-5000	1109	0.8414	5295651	3.1464
5001 to 10000	1733	1.3148	12824805	7.6199
10001 to 50000	1197	0.9081	24565835	14.5959
50001 to 100000	128	0.0971	9251804	5.4970
100001 & above	68	0.0516	68845502	40.9049
Total	131809	100.00%	168306104	100.00%

j) REGISTRAR AND SHARE TRANSFER AGENTS

MCS Limited is the Registrar & Share Transfer Agent of the Company and its office is located at F- 65, 1st 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

k) 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.

l) DEMATERIALISATION OF SHARES AND LIQUIDITY

The Equity Shares of the Company are actively traded at major Stock Exchanges in dematerialized mode. As on March 31, 2013 99.43% of the shares were held in dematerialized mode by 94.81% of the total shareholders of the Company.

m) PLANT LOCATIONS

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

o) ADDRESS FOR CORRESPONDENCE

- i) All correspondence regarding transfer and dematerialization of share certificates should be addressed to our Registrar and Share Transfer Agent - MCS Limited located at F- 65, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi – 110 020. Following are the contact numbers:

Telephone numbers – 41406149/ 41406151/ 41406152/ 41709885/ 41609386

Fax number – 41709881

E-mail address – admin@mcsdel.com

- ii) For any other information, the shareholders may contact the Company Secretary at the Registered Office of the Company located at 43-B, Okhla Industrial Estate, New Delhi 110020. Following are the contact nos.:-

Telephone numbers: (011) 40594444

Fax numbers: (011) 41635211/26911860

E-mail address: shares@moserbaer.in

10. 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 and 1998-99, 1999-2000, 2000-2001, 2001-02, 2002-03, 2003-04 and 2004-05 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 2005-06 to the Investor Education and Protection Fund on/before September 20, 2013.
- 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. Remuneration Committee

The Board has constituted a Compensation 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 had been regularly uploading the results at the EDIFAR of SEBI. As per circular no. CIR/CFD/DCR/ 3/2010 dated 19th April 2010 issued by SEBI, the EDIFAR filing under clause 51 of the listing agreement has been revoked. Further, it always ensures to regularly update 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 gives 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 allows 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 March 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: August 8, 2013

Place: New Delhi

Deepak Puri

Chairman and Managing Director

MANAGING DIRECTOR AND GROUP CHIEF FINANCIAL OFFICER CERTIFICATION

We, Deepak Puri, managing Director and YogeshMathur, 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 year ended on March 31, 2013 and that to the best of our 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 year 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 year;
During the Financial Year ended on March 31, 2013. There were no significant changes in internal control over financial reporting.
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
During the financial year ended on March 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 year ended on March 31, 2013, there were no instances of the above nature.

Date: May 30, 2013
Place: New Delhi

Deepak Puri
Managing Director

YogeshMathur
Group CFO

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members Moser Baer India Limited

We have examined the compliance of condition of corporate governance by Moser Baer India Limited ("the Company") for the year ended on March 31, 2013, as stipulated in clause 49 of the listing agreement of the company with the stock exchange.

The Compliance of condition 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 condition of corporate governance as stipulated in said clause. It is neither an audit nor 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 condition 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 affair of the company.

For Walker, Chandio & Co
Chartered Accountants
Firm Registration No: 001076N

per Ashish Gupta
Partner
Membership No. 504662

Place: New Delhi
Date: August 8, 2013

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 of the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, 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 referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). 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. 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 March 31, 2013 ;
 - ii) in the case of Statement of Profit and Loss, of the loss for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

7. We draw attention to note 44(d) to the Financial statements regarding re-structuring of the outstanding Foreign Currency Convertible Bonds, the related accounting and also the uncertainty of this being accepted by the bond holders and approved by concerned regulatory authorities. Our opinion is not qualified in respect of this matter.
8. We draw attention to note 47(a) in the financial statements with respect to management's assessment, based on valuation performed by an independent valuer, of recoverability of investments in and other receivables from two subsidiaries namely Moser Baer Photovoltaic Limited and Moser Baer Solar Limited amounting to Rs. 1,472,573,990 and Rs. 6,163,124,675 respectively. The recoverability of these amounts is dependent on successful implementation of new technologies, external market conditions, regulatory benefits and conclusion of debt restructuring in the terms as proposed by the subsidiaries, which are significantly uncertain. Our report 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 referred to in sub-section (3C) of Section 211 of the Act; and
- e. on the basis of written representations received from the directors, as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

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

Place: New Delhi
Date: May 30, 2013

Annexure to the Independent Auditors' Report of even date to the members of Moser Baer India Limited, on the financial statements for the year ended March 31, 2013

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 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 year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management.

(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 four parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is Rs.1,473,135,878 and the year-end balance is Rs.1,300,299,083.

(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.

(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 year 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/services 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 year-end for a period of more than six months from the date they become payable.

Annexure to the Independent Auditors' Report of even date to the members of Moser Baer India Limited, on the financial statements for the year ended March 31, 2013

(b) The dues outstanding in respect of sales-tax, income-tax, custom duty, wealth-tax, 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	Duty demand on supplies of steel from DTA to SEZ	9,749,862	-	FY 2008-09	High Court of Allahabad
Custom Duty Act, 1962	Dispute on classification of LCD panels	4,823,292	4,823,292	FY 2009-10 FY 2010-11 FY 2011-12	CESTAT, New Delhi
	Customs duty	13,924,896	-	FY 2007-08	CESTAT, Chennai
	Exemption notification denied as goods imported are not CG for production	1,841,000	-	FY 2002-03	Supreme Court, New Delhi
Excise Duty Act, 1948	Excise duty on royalty paid by the copyright owners to artist/ film producers (including penalty)	2,755,310	500,000	FY 2006-07	CESTAT, New Delhi
	4% SAD against clearance of free samples	35,183	35,183	FY 2008-09 FY 2009-10	CESTAT, New Delhi
		59,124	59,124	FY 2009-10	Additional Commissioner, Noida
		73,565	73,565	FY 2011-12	Assistant Commissioner Custom and Central Excise, Noida
		282,965	282,965	FY 2010-11	CESTAT, New Delhi
		7,220	7,220	FY 2011-12	Assistant Commissioner Custom and Central Excise, Noida
		15,286	15,286	FY 2012-13	Assistant Commissioner Custom and Central Excise, Noida
	4% ACD	396,741,056	-	FY 2007-08 to FY 2011-12	Commissioner Custom and Central Excise, Noida
Excise Duty Act, 1948	4% ACD	39,937,261	-	FY 2011-12	Commissioner Custom and Central Excise, Noida
		17,839,621	-	FY 2012-13	Commissioner Custom and Central Excise, Noida
	Demand for 3 rd cess duty from July'10 to Feb'11	5,249,062	-	FY 2010-11	Commissioner Custom and Central Excise, Noida
	Demand for 3 rd cess duty from July'10 to Mar'11	6,971,742	-	FY 2010-11	Commissioner Custom and Central Excise, Noida

Annexure to the Independent Auditors' Report of even date to the members of Moser Baer India Limited, on the financial statements for the year ended March 31, 2013

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
	Demand for 3 rd cess duty from Mar'11 to Sep'11	3,563,234	-	FY 2011-12	Additional Commissioner Custom and Central Excise, Noida
	Demand for 3 rd cess duty from Apr'11 to Sep'11	5,254,300	-	FY 2011-12	Commissioner Custom and Central Excise, Noida
	Demand for 3 rd cess duty from Oct'11 to Mar'12	1,745,392	-	FY 2011-12	Additional Commissioner Custom and Central Excise, Noida
	Demand for 3 rd cess duty from Oct'11 to Feb'12	5,695,807	-	FY 2011-12	Commissioner Custom and Central Excise, Noida
	Demand for 3 rd cess duty from Mar'12 to Dec'12	11,124,335	-	FY 2012-13	Commissioner Custom and Central Excise, Noida
	Disallowance of cenvat credit on MS & GI pipes	176,694	-	FY 2011-12	Assistant Commissioner Custom and Central Excise, Noida
	Excise duty on late filing of export proofs	1,650,802	-	FY 2006-07	Additional Commissioner Custom and Central Excise, Noida
Excise Duty Act, 1948	On account of 4% additional custom duty as per Exemption Notification	205,588,922	-	FY 2006-07	CESTAT, New Delhi
		215,038,086	-	FY 2007-08	CESTAT, New Delhi
		79,934,850	-	FY 2007-08	Commissioner Custom and Central Excise, Noida
	Exemption notification denied as goods imported are not CG for production	2,761,250	-	FY 2006-07	Supreme Court, New Delhi
Finance Act, 1994	Service tax on IPR services	58,640,712	-	FY 2003-04	Commissioner Custom and Central Excise, Noida
		5,440,788	-	FY 1999-00	Deputy Commissioner Customs and Central Excise, Noida
		5,606,684	-	FY 2003-04 FY 2004-05	Commissioner Customs and Central Excise, Noida
	Service tax on IPR services (including penalty thereon)	3,920,092	-	FY 2000-01 FY 2001-02	High Court, New Delhi
	Cenvat credit of service tax paid u/s 66A denied (including penalty thereon)	63,316,764	-	FY 2005-06	CESTAT, New Delhi
	Service tax paid on insurance premium	10,749,267	2,953,470	FY 2006-07	Commissioner Customs and Central Excise, Noida

Annexure to the Independent Auditors' Report of even date to the members of Moser Baer India Limited, on the financial statements for the year ended March 31, 2013

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	
Finance Act, 1994	Disallowance of cenvat credit on outdoor canteen services denied	3,748,499	-	FY 2008-09 FY 2009-10	Additional Commissioner Custom and Central Excise, –Noida	
Finance Act, 1994	Disallowance of cenvat credit on outdoor canteen services denied	2,312,533	-	FY 2009-10 FY 2010-11	Additional Commissioner Central Excise, –Noida	
		16,855	-	FY 2008-09 FY 2009-10 FY 2010-11	Assistant Commissioner Custom and Central Excise, Noida	
		1,259,306	-	FY 2010-11	Additional Commissioner Custom and Central Excise, Noida–	
		2,995,747	-	FY 2008-09 FY 2009-10 FY 2010-11	Additional Commissioner Customs and Central Excise, Noida	
	Cenvat credit of service tax paid u/s 66A denied	56,746,863	-	FY 2008-09 FY 2009-10 FY 2010-11 FY 2011-12	Commissioner Customs and Central Excise, Noida	
		106,554,346	-	FY 2007-08 FY 2008-09 FY 2009-10 FY 2010-11	Commissioner Customs and Central Excise, Noida	
	Cenvat credit of service tax paid u/s 66A denied	29,849,266	-	FY 2011-12	Commissioner Customs and Central Excise, Noida.	
	Service tax on Gross Fee (including Underwriting fee)	8,679,779	-	FY 2012-13	Commissioner Service Tax, Delhi.	
	Finance Act, 1994	Service tax on IPR services	7,547,218	-	FY 2012-13	Commissioner Customs and Central Excise, Noida.
		On the ground that Steag has provided engineering consultancy on which service tax is attracted	1,031,000	-	FY 2002-03	High Court, New Delhi
Entry Tax Act	Entry tax	106,059,645	-	FY 1998-99	Supreme Court of India	
	Entry tax	14,101,682	7,050,841	FY 2000-01	Supreme Court of India	
	Entry tax	1,372,650	686,325	FY 2002-03	High Court, Allahabad	
	Entry tax	1,510,056	1,255,028	FY 2003-04	Commercial Tax Tribunal, Noida	
	Entry tax	1,994,006	398,801	FY 2004-05	Commercial Tax Tribunal, Noida	
	Entry tax	630,772	315,500	FY 2004-05	High Court, Allahabad	
	Entry tax	574,962	287,463	FY 2005-06	Commercial Tax Tribunal, Noida	

Annexure to the Independent Auditors' Report of even date to the members of Moser Baer India Limited, on the financial statements for the year ended March 31, 2013

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
	Entry tax	352,040	176,020	FY 2006-07	Commercial Tax Tribunal, Noida
	Entry tax	6,185,487	-	FY 2006-07	Additional Commissioner, (Appeals).
	Entry tax	737,772	184,443	FY 2007-08	Additional Commissioner, (Appeals).
Central Sales Tax Act, 1956	Non submission of Form Conclusion:	14,029,432	4,208,830	FY 2005-06	Commercial Tax Tribunal, Noida
	Rate difference on recorded CD/DVD	1,082,320	485,718	FY 2006-07	Additional Commissioner, (Appeals)
Central Sales Tax Act, 1956	Recorded CD/DVD shown as CD/DVD (including penalty)	3,246,969	161,907	FY 2006-07	Additional Commissioner, (Appeals)
	Non receipt and rejection of Form C and F	5,299,908	3,200,000	FY 2007-08	Additional Commissioner, (Appeals)
	Use of furnace oil purchased against Form C for office purpose	82,577	-	FY 2007-08	Additional Commissioner, (Appeals)
	Rate difference on sale of PP woven bags	212,375	-	FY 2004-05	Commercial Tax Tribunal, Noida
U.P. Trade Tax Act, 1948	Demand as per Final Assessment Order	1,115,914	334,774	FY 2005-06	Commercial Tax Tribunal, Noida
	Rate difference on recorded CD/DVD	3,840,774	2,760,000	FY 2006-07	Commercial Tax Tribunal, Noida
	Demand against sale enhancement	195,050	-	FY 2006-07	Commercial Tax Tribunal, Noida
U.P. Value Added Tax Act, 2008	Recorded CD/DVD shown as CD/DVD (including penalty)	12,247,485	2,988,711	FY 2006-07	Additional Commissioner, (Appeals)
	Use of furnace oil purchased against Form C for office purpose	4,309,675	430,968	FY 2007-08	Additional Commissioner, (Appeals)
U.P. Value Added Tax Act, 2008	Recorded CD/DVD shown as CD/DVD (including penalty)	34,720,410	-	FY 2007-08	Additional Commissioner, (Appeals)
	Recorded CD/DVD shown as CD/DVD (including penalty)	28,023,324	-	FY 2007-08	Additional Commissioner, (Appeals)
	Rate difference on recorded CD/DVD	4,079,060	1,631,324	FY 2006-07	Additional Commissioner, (Appeals)
	Rate difference on recorded CD/DVD and wooden pallets	6,411,838	800,000	FY 2007-08	Additional Commissioner, (Appeals)

Annexure to the Independent Auditors' Report of even date to the members of Moser Baer India Limited, on the financial statements for the year ended March 31, 2013

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
State VAT Act	Demand due to detention of vehicles for wrong invoice raised	2,052,305	-	FY 2006-07	Commercial Tax Assistant Commissioner, Ernakulam
	Incorrect TIN shown in returns	1,038,907	-	FY 2008-09	Joint Commissioner, West Bengal
Income Tax Act, 1961	Demand for non-deduction of TDS	108,889,105	34,500,000	AY 2004-05 AY 2005-06 AY 2006-07 AY 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 financial year are more than fifty percent of its net worth. The Company has not incurred cash losses in the immediately preceding financial year; however, in the current financial year, the Company has incurred cash losses.*
- (xi) There are no dues payable to debenture-holders. *The Company has defaulted in repayment of dues to banks as summarised below:*

Particulars	Amount (Rs.)	Due date	Delay in days
Banks	18,750,000	February 20, 2012	405
	260,750	February 29, 2012	396
	195,078	March 31, 2012	365
	188,785	April 30, 2012	335
	195,078	May 31, 2012	304
	188,785	June 30, 2012	274
	195,078	July 31, 2012	243
	195,078	August 31, 2012	212
	188,785	September 30, 2012	182
	195,078	October 31, 2012	151
	188,785	November 30, 2012	121
	195,078	December 31, 2012	90
	195,078	January 31, 2013	59
	176,199	February 28, 2013	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) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, *prima facie*, prejudicial to the interest of the Company.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.

Annexure to the Independent Auditors' Report of even date to the members of Moser Baer India Limited, on the financial statements for the year ended March 31, 2013

- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties/companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. 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, Chandio & Co**
Chartered Accountants
Firm Registration No.: 001076N

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

Place: New Delhi
Date: May 30, 2013

MOSER BAER INDIA LIMITED
BALANCE SHEET AS AT MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

	Notes	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	1,683,061,040	1,683,061,040
Reserves and surplus	5	1,807,092,703	6,907,816,427
		<u>3,490,153,743</u>	<u>8,590,877,467</u>
Share application money pending allotment	6	<u>200,000,000</u>	-
Non current liabilities			
Long term borrowings	7	10,882,614,589	3,862,386,342
Other long term liabilities	8	1,790,058,180	1,793,208,098
Long term provisions	9	226,321,781	199,287,049
		<u>12,898,994,550</u>	<u>5,854,881,489</u>
Current liabilities			
Short term borrowings	10	6,670,347,004	8,706,200,440
Trade payables	11	3,320,696,489	3,290,929,990
Other current liabilities	12	8,812,812,803	10,095,626,812
Short term provisions	13	1,057,516,167	2,218,990,115
		<u>19,861,372,463</u>	<u>24,311,747,357</u>
		<u>36,450,520,756</u>	<u>38,757,506,313</u>
ASSETS			
Non current assets			
Fixed assets			
(a) Tangible assets	14	9,523,971,967	12,254,607,229
(b) Intangible assets	14	177,105,914	85,603,087
(c) Capital work in progress		3,849,997	46,611,684
(d) Intangible assets under development		-	92,648,334
Non current investments	15	6,840,395,732	7,009,248,108
Long term loans and advances	16	1,546,954,710	1,507,951,610
Other non current assets	17	2,793,188,863	2,982,791,972
		<u>20,885,467,183</u>	<u>23,979,462,024</u>
Current assets			
Inventories	18	5,277,353,317	5,593,935,542
Trade receivables	19	6,360,605,550	7,287,969,238
Cash and bank balances	20	1,309,013,830	833,432,018
Short term loans and advances	21	601,313,312	508,329,808
Other current assets	22	2,016,767,564	554,377,683
Total current assets		<u>15,565,053,573</u>	<u>14,778,044,289</u>
		<u>36,450,520,756</u>	<u>38,757,506,313</u>

The accompanying notes from 1 to 48 are an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For Walker, Chandio & Co
Chartered Accountants

per Ashish Gupta
Partner

Place: New Delhi
Date: May 30, 2013

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

Deepak Puri
Chairman and
Managing Director

Yogesh Mathur
Group CFO

Nita Puri
Director

Minni Katariya
Head Legal and
Company Secretary

MOSER BAER INDIA LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013
(All amounts in rupees, unless otherwise stated)

	Notes	Year ended March 31, 2013	Year ended March 31, 2012
REVENUE			
Revenue from operations (gross)	23	15,220,138,628	21,393,620,674
Less: Excise duty		<u>557,037,410</u>	<u>572,312,131</u>
Revenue from operations (net)		14,663,101,218	20,821,308,543
Other income	24	<u>799,852,187</u>	<u>461,648,445</u>
Total revenue		<u>15,462,953,405</u>	<u>21,282,956,988</u>
Expenses			
Cost of materials consumed	25	7,307,567,563	10,219,762,870
Purchases of stock in trade	26	91,578,115	68,081,885
Change in stock of finished goods, stock in trade and work in progress	27	100,983,754	886,843,542
Employee benefits expense	28	1,801,567,844	1,797,352,156
Depreciation, amortisation and impairment	29	2,902,323,680	3,395,043,904
Amortisation of foreign currency monetary item translation difference account		515,366,123	363,121,552
Finance cost	30	1,966,742,273	2,390,009,342
Other expenses	31	<u>5,386,949,315</u>	<u>5,356,973,690</u>
Total expenses		<u>20,073,078,667</u>	<u>24,477,188,941</u>
(Loss) before exceptional items and tax		<u>(4,610,125,262)</u>	<u>(3,194,231,953)</u>
Exceptional items	32	<u>18,461,592</u>	-
(Loss) before tax		<u>(4,591,663,670)</u>	<u>(3,194,231,953)</u>
Tax expense:			
-Current tax		-	-
-Deferred tax		-	-
(Loss) for the year		<u>(4,591,663,670)</u>	<u>(3,194,231,953)</u>
(Loss) per equity share (refer note 41):			
-Basic		(27.28)	(18.98)
-Diluted		(27.28)	(18.98)

The accompanying notes from 1 to 48 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, Chandio & Co
Chartered Accountants

per Ashish Gupta
Partner

Place: New Delhi
Date: May 30, 2013

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

Deepak Puri
Chairman and
Managing Director

Yogesh Mathur
Group CFO

Nita Puri
Director

Minni Katariya
Head Legal and
Company Secretary

MOSER BAER INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Cash flow from operating activities:			
Net loss before income tax		(4,591,663,670)	(3,194,231,953)
Adjustments to reconcile net loss to net cash provided by / (used in) operating activities:			
Depreciation, amortisation and impairment		2,902,323,680	3,395,043,904
Amortisation of foreign currency monetary item translation difference account		515,366,123	363,121,552
(Profit)/Loss on sale of fixed assets		(8,790,243)	(5,843,189)
Unrealised foreign exchange (gain)/loss		(193,717,982)	36,273,262
Finance cost		1,966,742,273	2,390,009,342
Interest Income		(225,283,251)	(260,737,921)
Provision for employee benefits		6,891,235	(4,998,957)
Old liabilities and provisions no longer required written back		(25,784,675)	(132,596,309)
Provision for warranty		1,448,781	(9,299,046)
Debts/Advances written off		60,131	81,668
Provision for other probable obligation		35,449,829	35,449,829
Provision for slow moving stock		-	5,514,544
Exceptional Item: Loss/(Income)		(18,461,592)	-
Operating profit before working capital changes		364,580,639	2,617,786,725
Changes in working capital			
(Increase)/decrease in inventories		316,582,225	898,885,590
(Increase)/decrease in trade receivables		1,191,794,876	(775,456,421)
(Increase)/decrease in loans and advances and other assets		(1,466,469,929)	803,753,560
Increase/(decrease) in trade payables		10,234,547	(591,196,737)
Cash generated from operating activities		416,722,358	2,953,772,717
Income tax (paid)/refund (net of tax deducted at source)		33,146,592	(4,170,298)
Net cash generated from operating activities	A	449,868,950	2,949,602,420
Cash flow from investing activities:			
Purchase of fixed assets/additions to capital work in progress		(131,077,854)	(453,323,528)
Proceeds from sale of fixed assets		24,207,367	92,926,404
Investment in subsidiary companies		-	(500,000)
Advances given to subsidiaries		(70,784,460)	(88,540,037)
Net Proceeds from fixed deposits		(125,191,575)	63,685,758
Interest received		62,924,413	185,872,818
Net cash (used in) investing activities	B	(239,922,109)	(199,878,585)

MOSER BAER INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Cash flow from financing activities:			
Repayment of long term borrowings		(1,225,206,328)	(2,701,601,994)
Proceeds from long term borrowings (refer note d below)		5,088,070,024	-
Net proceeds from short term borrowings (refer note d below)		(2,031,189,677)	1,768,348,375
Finance costs paid		(1,890,853,617)	(2,165,265,312)
Dividend paid for earlier years		(377,008)	(745,280)
Promoters contribution received		200,000,000	-
Net cash provided by / (used in) financing activities	C	140,443,396	(3,099,264,211)
Net increase/(decrease) in cash and cash equivalents	A + B + C	350,390,237	(349,540,377)
Cash and cash equivalents at beginning of the year		246,663,259	596,203,636
Cash and cash equivalents at end of the year		597,053,496	246,663,259
		350,390,237	(349,540,377)

Notes :

1. The above cash flow statement has been prepared under the indirect method set out in AS-3 notified under sub-section 3C of Section 211 of the Companies Act, 1956.
2. The proceeds from long term borrowings comprise of refund received from the banks amounting to Rs 2,223,534,877, working capital term loan carved out from short term borrowings amounting to Rs.1,399,900,000 (reflected in net proceeds from short term borrowings above) and interest liability converted into funded interest term loan amounting to Rs. 1,464,635,147 due to implementation of corporate debt restructuring (refer note 7(c)).
3. Figures in brackets indicate cash outflow.
4. Corresponding figures for the previous year have been regrouped and recast wherever necessary to conform to the current year's classification.

The accompanying notes from 1 to 48 are an integral part of these financial statements.

This is the Cash Flow Statement referred to in our report of even date.

For Walker, Chandio & Co
Chartered Accountants

per Ashish Gupta
Partner

Place: New Delhi
Date: May 30, 2013

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

Deepak Puri
Chairman and
Managing Director

Yogesh Mathur
Group CFO

Nita Puri
Director

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Head Legal and
Company Secretary

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

1 Basis of preparation

The financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642, the relevant provisions of the Companies Act, 1956 (the 'Act') and relevant pronouncements issued by the Institute of Chartered Accountants of India. The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company.

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.

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 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.

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.

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

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 of 5-10 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 effect 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.

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

(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 their 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 the 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) Unavailed 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.

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

(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 amortised over the balance period of such long term foreign currency monetary items or March 31, 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 Act.

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.

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 aforementioned Income tax Act and as per the applicable overseas laws relating to a foreign branch.

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

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.

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.

(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 granted 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 within 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.

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
(All amounts in rupees, unless otherwise stated)

(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.

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

4 Share capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount	Number	Amount
Authorised Equity shares of Rs. 10 each	1,250,000,000	12,500,000,000	300,000,000	3,000,000,000
Issued Equity shares of Rs. 10 each	168,306,104	1,683,061,040	168,306,104	1,683,061,040
Subscribed & fully paid up Equity shares of Rs. 10 each fully paid up	168,306,104	1,683,061,040	168,306,104	1,683,061,040
Total	168,306,104	1,683,061,040	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 year and five year immediately preceding current reporting year:

(No. of Shares)

Particulars	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31 2008
Equity shares allotted as fully paid up bonus shares by capitalisation of general reserve.	-	-	-	-	25,000	56,077,035

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

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	168,306,104	1,683,061,040	168,306,104	1,683,061,040
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	168,306,104	1,683,061,040	168,306,104	1,683,061,040

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

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of shares held	% of holding	No. of shares held	% of holding
Deepak Puri & HUF	27,420,141	16.3	6,745,473	4.0
International Finance Corporation	15,076,791	9.0	15,076,791	9.0
Electra Partners Maritius Ltd.	9,960,345	5.9	9,960,345	5.9
Woodgreen Investments Ltd.	-	-	22,050,000	13.1
Ratul Puri	-	-	16,143,753	9.6
Ealing Investments Ltd.	-	-	9,600,000	5.7
Bloom Investments Ltd.	-	-	9,600,000	5.7
Randall Investments Ltd.	-	-	9,600,000	5.7

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(E) Stock option plans :

The Company has two Stock Option Plans:

(a) Employee Stock Option Plan 2004 & 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 year :

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Number	Weighted Average Price	Number	Weighted Average Price
Options outstanding at beginning of year	1,233,950	257.39	1,588,435	246.22
Add:Options granted	-	-	-	-
Less:Options Exercised	-	-	-	-
Less:Options Cancelled	284,800	167.44	140,005	189.97
Less:Options Lapsed	294,700	220.79	214,480	218.66
Less:Options Forfeited				
Options outstanding at the end of year	654,450	313.02	1,233,950	257.39
Option exercisable at the end of year	629,050	318.82	1,090,646	271.01

The options outstanding at the end of year 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 0.08 years (previous year 0.79 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 year, the Company has issued Nil (previous year Nil) options to eligible employees. The vesting period for the option granted varies from 12 to 48 months from the date of the grant. No options have been exercised during the year.

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

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Number	Weighted Average Price (Rs.)	Number	Weighted Average Price (Rs.)
Options outstanding at beginning of year	2,081,204	76.82	2,588,740	76.86
Add: Options Granted	-	-	-	-
Less: Options Exercised	-	-	-	-
Less: Options Cancelled	548,967	76.98	507,536	77.02
Less: Options Lapsed	-	-	-	-
Less: Options Forfeited	-	-	-	-
Options outstanding at the end of year	1,532,237	76.77	2,081,204	76.82
Option exercisable at the end of year	926,874	77.98	759,974	78.45

The options outstanding at the end of year 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 1.09 years (previous year 2.05 years).

- (c) The impact on the loss of the Company for the year ended March 31, 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 year ended March 31, 2013	For the year ended March 31, 2012
(Loss) after tax as per statement of profit and loss (a)	(4,591,663,670)	(3,194,231,953)
Add: Employee stock compensation expenses as per intrinsic value method	-	-
Less: Employee stock compensation expenses as per fair value method	(48,041,866)	(17,054,378)
(Loss) after tax recomputed for recognition of employee stock compensation expenses under fair value method (b)	(4,543,621,804)	(3,177,177,575)
(Loss) per share based on earning as per (a) above:		
-Basic	(27.28)	(18.98)
-Diluted	(27.28)	(18.98)
(Loss) per share had fair value method been employed for accounting of employee stock options as per (b) above:		
-Basic	(27.00)	(18.88)
-Diluted	(27.00)	(18.88)

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

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5 Reserves and surplus

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Capital reserve		
Opening balance	181,440,000	181,440,000
Add: Additions during the year	-	-
Less: Written back in current year	-	-
Closing balance	181,440,000	181,440,000
(b) Securities premium account		
Opening balance	7,139,740,803	7,868,559,355
Less: Premium on redemption of foreign currency convertible bonds (refer note 44(b))	606,568,486	728,818,552
Closing balance	6,533,172,317	7,139,740,803
(c) Foreign currency monetary items translation difference account		
Opening balance	(97,508,432)	32,392,554
Add: Exchange gain/(loss) of long term foreign currency liabilities	(417,857,691)	(493,022,538)
Add: Amortised in statement of profit and loss	515,366,123	363,121,552
Closing balance	-	(97,508,432)
(d) General reserve		
Opening balance	-	2878,376,009
Add: Transfer from statement of profit and loss	-	(2,878,376,009)
Closing balance	-	-
(e) Surplus/(Deficit) as per statement of profit and loss		
Opening balance	(315,855,944)	-
Add: (Net loss) for the year	(4,591,663,670)	(3,194,231,953)
Add : Transfer to general reserve	-	(2,878,376,009)
Closing balance	(4,907,519,614)	(315,855,944)
Total	1,807,092,703	6,907,816,427

6 Share application money pending allotment represents contribution received from promoters under CDR scheme, refer note 7(c) for more details on CDR Scheme. The equity shares are expected to be allotted against the share application money within a reasonable period. The company has sufficient authorised capital to cover the share capital amount on allotment of above shares.

7 Long term borrowings

Particulars	As at March 31, 2013	As at March 31, 2012
Secured		
Term loans		
(a) Rupee loan from banks		
Term loan	8,705,553,835	3,862,386,342
Working capital term loan	1,108,448,000	-
Funded interest term loan	614,865,000	-
(b) Rupee loan from others		
Term loan	304,370,877	-
Working capital term loan	123,464,000	-
Funded interest term loan	25,912,877	-
Total	10,882,614,589	3,862,386,342

(Also Refer note 46 defaults in repayment of dues to the bank)

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Note

Secured loans

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

Particulars	Loan outstanding as at March 31, 2013	Security	Terms of repayment
Term loans under CDR	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	Repayable in 32 quarterly installments after moratorium of 2 years from cut off date i.e. November 30, 2011 commencing from February 2014
Working capital term loan	1,399,900,000	(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)	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 loan	1,464,635,147	(vii) Pledge of shares of Moser Baer Infrastructure and Developers Limited	Repayable in 7 quarterly installments commencing from September 30, 2013
Term loan-other	18,750,000	First pari passu charge on fixed assets	Repayable in 16 quarterly installments effective from May, 2008
Total	12,464,483,952		
Less : Current portion of long term debts	1,581,869,363		
Net long term borrowings	10,882,614,589		

(b) Nature of security and terms of repayment for secured borrowings (Term Loan) as at March 31, 2012:

Nature of borrowings	Loan outstanding as at March 31, 2012	Security	Terms of Repayment
Term loan	500,000,000	First pari passu charge on fixed assets	Loan repayable in June 2013 after a moratorium of 36 months
Term loan	138,461,539		Loan repayable in 13 quarterly installments effective from September 2009
Term loan	1,166,666,666		Loan repayable in 12 quarterly installments effective from December 2010
Term loan	24,994,871		Loan repayable in 20 quarterly installments effective from September 2007
Term loan	875,000,000		Loan repayable in 08 quarterly installments effective from November 2011
Term loan	375,000,000		Loan repayable in 04 quarterly installments effective from December 2011
Term loan	125,000,000		Loan repayable in 04 quarterly installments effective from June 2011
Term loan	750,000,000		Loan repayable in 04 quarterly installments effective from November 2011
Term loan	1,250,000,000		Loan repayable in 12 quarterly installments effective from February 2013

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Term loan	375,000,000		Loan repayable in 18 quarterly installments effective from December 2010
Term loan	18,750,000		Loan repayable in 16 quarterly installments effective from May 2008
Term loan	500,000,000		Loan repayable in 1 installment effective from March 2012
Term loan	125,000,000		Loan repayable in 08 quarterly installments effective from August 2010
Term loan	273,474,188		Loan repayable in 10 quarterly installments effective from March 2010
Term loan	1,000,000,000		Loan repayable in 02 installments in October 2012 & October 2014
Term loan	999,900,000		Loan repayable in 12 quarterly installments effective from December 2012
Term loan	97,827,432		Loan repayable in 16 quarterly installments effective from September 2008
Total	8,595,074,696		
Less : Current portion of long term debts	4,732,688,354		
Net long term borrowings	3,862,386,342		

(c) Interest rates

- Interest rate on long term borrowings varies from 10.25% to 11% p.a (previous year 12% to 16.50%).

(d) Corporate debt restructuring scheme

The Company executed the Master Restructuring Agreement (MRA) / other definitive documents on December 27, 2012 with the lenders banks (except in case of one lender bank), consequent to approval from Corporate Debt Restructuring Empowered Group (CDR-EG) to re-structure Company's existing debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR Scheme").

Under the CDR scheme, the Company is entitled to the reliefs and concessions granted by the lender banks, with effect from December 01, 2011 ('the Relevant Date'). Also, as a part of the CDR scheme, the promoters were required to contribute funds in accordance with letter of approval. As a consequence, the Company received a contribution from its promoters amounting to Rs. 200,000,000 on February 18, 2013 against which shares were issued on May 30, 2013 by the Company after receiving the necessary approval of the shareholders.

Considering the MRA have been signed by all the lender banks (except one lender bank as explained above) and Company has complied with all the necessary conditions precedent, the monitoring institution in the joint lender meeting held on March 07, 2013, declared the CDR package as implemented, as per RBI Guidelines. Accordingly, the Company accounted for CDR scheme (reclassifications and interest calculations) in the books for the year ended March 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. 1,399,900,000 have been reclassified as Working Capital Long Term Loan (WCTL) including current maturities of Rs. 167,988,000 as at March 31, 2013.
- The existing term loan of Rs.9,599,948,806 has been classified as long term borrowing including current maturities of Rs. 593,621,928.
- The interest due w.e.f. December 01, 2011 till March 31, 2013 at revised rates amounting to Rs. 1,464,635,147 has been converted into Funded Interest Term Loan (FITL) including current maturities amounting to Rs. 820,140,488.

From November 30, 2011 (the "cut-off date"), 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. 187,313,968 pertaining to period from December 1, 2011 to March 31, 2012 has been shown as exceptional item during the year.

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8 Other long term liabilities

Particulars	As at March 31, 2013	As at March 31, 2012
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	200,000	12,634,768
Retention money	2,210,731	2,210,731
Lease equalisation reserve	37,647,449	28,362,599
Total	1,790,058,180	1,793,208,098

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 against the cost of specific fixed assets.

9 Long term provisions

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits		
Gratuity (refer note 43)	138,044,998	101,396,787
Unavailed leave (refer note 43)	81,232,141	87,351,269
Key resource bonus and deferred salary (refer note below)	7,044,642	10,538,993
Total	226,321,781	199,287,049

Note :

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 year ended March 31, 2013	For the year ended March 31, 2012
Balance as at the beginning of the year	40,631,914	81,467,705
Add: Provision made during the year	19,029,825	32,434,154
Less: Paid/ written back during the year	(41,875,412)	(73,269,945)
Balance as at the end of the year	17,786,327	40,631,914
Less: Amount classified under short term provisions	10,741,685	30,092,921
Balance as at the end of the year	7,044,642	10,538,993

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10 Short term borrowings

Particulars	As at March 31, 2013	As at March 31, 2012
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)	6,141,260,238	7,812,387,084
- Secured by lien on fixed deposits	46,005,052	225,593,396
(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)	483,081,714	668,219,960
Total	6,670,347,004	8,706,200,440

Note :

Short term loans outstanding as at March 31, 2013 are further secured by as per below :

- (i) Pledge of 100% shareholding of the promoters of the Company.
- (ii) Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri.
- (iii) Negative lien on land of Moser Baer Infrastructure and Developers Limited at Chennai on pari passu basis.
- (iv) Corporate guarantee of Moser Baer Infrastructure and Developers Limited (subsidiary of the Company that owns the rights to the Chennai land).
- (v) Pledge of shares of Moser Baer Infrastructure and Developers Limited.

11 Trade payables

Particulars	As at March 31, 2013	As at March 31, 2012
Acceptances	1,002,591,556	1,015,231,623
Trade creditors		
- Dues to micro small and medium enterprises (refer note 45)	64,445,555	15,785,039
- Dues to others	2,253,659,378	2,259,913,328
Total	3,320,696,489	3,290,929,990

12 Other current liabilities

Particulars	As at March 31, 2013	As at March 31, 2012
Current maturities of long term loans	1,581,869,363	4,732,688,354
Current maturities of foreign currency convertible bonds (refer note 44(d))	4,805,107,500	4,503,765,000
Current maturities of premium on redemption of foreign currency convertible bonds	1,784,830,756	-
Interest accrued but not due on borrowings	830,796	9,788,078
Interest accrued and due on borrowings	199,539,615	306,401,947
Income received in advance	1,426,595	1,485,524
Unpaid dividends	3,302,623	3,679,631
Others		
-Capital creditors	97,693,188	164,860,470
-Employee benefits payable	173,622,948	197,503,810
-Statutory dues	75,262,365	89,528,952
-Security deposits received	15,272,951	4,615,951
-Retention money	45,139,930	46,498,568
-Other accrued liabilities	28,914,173	34,810,527
Total	8,812,812,803	10,095,626,812

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Note :

The outstanding foreign currency convertible bonds (FCCBs) aggregating to principal value of USD 885 lacs (equivalent to Rs 48,051lacs) matured for redemption on June 21, 2012, which have since been claimed by the trustee of the bondholders. The Company has applied for relevant regulatory approvals and meanwhile is in discussions with the bondholders through the Trustee, to re-structure 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 trustee on behalf of certain bondholders has also filed a petition under section 434 of the Companies Act, 1956 with Hon'ble High Court of Delhi, which is pending.

13 Short term provisions

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Provision for employee benefits		
Unavailed leaves	10,216,548	11,008,810
Key resource bonus and deferred salary (refer note 9)	10,741,685	30,092,921
(b) Others		
Provision for taxation	1,869,939	1,836,729
Provision for warranty (refer note below)	7,296,257	5,847,476
Provision for other probable obligations (refer note below)	412,503,835	377,054,006
Provision for redemption of FCCB (refer note 44(b))	614,887,903	1,793,150,173
Total	1,057,516,167	2,218,990,115

Note :

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

Particulars	Warranty*		Probable obligations**	
	For year ended March 31, 2013	For year ended March 31, 2012	For year ended March 31, 2013	For year ended March 31, 2012
Balance as at the beginning of the year	5,847,476	15,146,521	377,054,006	341,604,177
Add: Provision made during the year	5,720,994	9,629,918	35,449,829	35,449,829
Less: Utilised/Written back during the year	(4,272,214)	(18,928,963)	-	-
Balance as at the end of the year	7,296,256	5,847,476	412,503,835	377,054,006

* Warranty provision relates to the estimated outflow in respect of warranty for products sold by the Company. 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

** Probable obligations provision relates to the estimated outflow in respect of possible liabilities expected to arise in future. 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.

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14 Fixed Assets

Particulars	Gross block			Accumulated depreciation and amortisation				Net Block	
	Balance as at April 1, 2012	Additions	Deletions	Balance as at March 31, 2013	Balance as at April 1, 2012	Charge for the year	Adjustment upon Deletions	Balance as at March 31, 2013	Balance as at March 31, 2012
Tangible assets									
Leasehold land	273,666,570	-	-	273,666,570	29,238,496	2,966,303	-	32,204,799	241,461,771
Buildings	3,295,543,598	10,409,909	3,886,663	3,302,066,844	956,655,965	109,695,991	3,886,663	1,062,465,293	2,239,601,551
Plant and equipments	40,636,384,947	135,604,203	47,204,230	40,724,784,920	31,168,157,867	2,719,198,681	35,393,847	33,851,962,701	6,872,822,219
Furniture and fixtures	176,924,064	150,450	952,762	176,121,752	87,436,061	9,486,283	380,950	96,541,394	79,580,358
Vehicles	21,658,633	-	2,091,957	19,566,676	12,842,260	1,685,780	1,073,591	13,454,449	6,112,226
Office equipments	102,651,950	-	594,924	102,057,026	40,768,409	4,594,992	248,262	45,115,139	56,941,887
Computer equipments	209,946,034	245,218	693,517	209,497,735	167,069,509	15,545,502	569,230	182,045,781	27,451,955
Total	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
Previous year	44,476,643,841	802,882,879	562,750,923	44,716,775,797	29,539,987,590	3,397,848,686	475,667,708	32,462,168,568	12,254,607,229
Intangible assets									
Computer software	74,614,614	(0)	4,311,930	70,302,684	55,910,695	6,573,986	2,766,317	59,718,364	10,584,320
Technical know how	306,181,620	132,198,588	-	438,380,208	239,282,452	32,576,162	-	271,858,614	166,521,594
Total	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
Previous year	365,673,154	15,123,080	-	380,796,234	297,997,929	30,044,100	32,848,882	295,193,147	85,603,087

Notes:

- Additions to plant and machinery include exchange loss of Rs. 70,914,578 (previous year exchange loss of Rs. 82,242,121).
- Gross block of fixed assets include Rs. 418,448,955 (previous year Rs. 418,448,955) relating to the SEZ division of the Company.

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15 Non-current investments

Particulars	As at March 31, 2013		As at March 31, 2012	
Trade investments				
(1) Investment in Equity shares				
(a) <u>Subsidiaries</u>				
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	-	222,953,546
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) <u>Associates</u>				
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) <u>Others</u>				
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 Euro 125 each		4,961		4,961
		<u>1,359,624,872</u>		<u>1,528,477,248</u>
(2) Investments in Preference shares				
(a) <u>Subsidiaries</u>				
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

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Particulars	As at March 31, 2013	As at March 31, 2012
Moser Baer Photo Voltaic 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	<u>338,877,600</u>	<u>338,877,600</u>
	1,464,092,260	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	<u>410,000,000</u>	<u>410,000,000</u>
	1,460,000,000	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	<u>100,000,000</u>	<u>100,000,000</u>
	600,000,000	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	<u>(320,668,823)</u>	<u>(320,668,823)</u>
	-	-
	<u>4,980,770,860</u>	<u>4,980,770,860</u>
(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	375,000,000
	500,000,000	500,000,000
	<u>500,000,000</u>	<u>500,000,000</u>
Total	6,840,395,732	7,009,248,108

Particulars	As at March 31, 2013	As at March 31, 2012
Aggregate amount of unquoted investments	6,840,395,732	7,009,248,108
Aggregate amount of provision for diminution	839,977,384	671,125,008

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16 Long term loans and advances

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good unless otherwise stated		
Capital advances	48,361,055	56,734,250
Security deposits	70,505,021	57,605,270
Loan to subsidiaries	1,214,299,084	1,192,920,049
Prepaid expenses	1,028,600	3,310,982
Prepaid taxes (net of provision for tax Rs.82,635,015 (previous year Rs.82,635,015))	67,346,529	63,118,218
Balances with government authorities	145,414,421	134,262,841
	1,546,954,710	1,507,951,610

17 Other non current assets

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Lease rent receivable		
-Secured, considered good	1,715,000,000	1,715,000,000
-Unsecured, considered good	1,009,095,014	1,237,719,672
	2,724,095,014	2,952,719,672
(b) Others		
-Margin money	33,119,589	403,080
-Lease equalisation account	35,974,260	29,669,220
	69,093,849	30,072,300
Total	2,793,188,863	2,982,791,972

18 Inventories

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Raw materials and components	642,491,592	783,405,948
Goods-in transit	98,129,260	73,734,419
	740,620,852	857,140,367
(b) Work-in-progress	2,112,003,373	2,022,939,791
	2,112,003,373	2,022,939,791
(c) Finished goods	1,336,743,136	1,513,518,462
	1,336,743,136	1,513,518,462
(d) Stock-in-trade	25,709,530	35,147,068
	25,709,530	35,147,068
(e) Stores and spares	902,654,683	968,766,411
Goods-in transit	3,228,141	4,855,006
	905,882,824	973,621,417

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(f) Loose tools	3,816,518	4,079,136
	3,816,518	4,079,136
(g) Packing material Goods-in transit	125,678,393	177,107,964
	26,898,691	10,381,337
	152,577,084	187,489,301
Total	5,277,353,317	5,593,935,542

19 Trade receivables

Particulars	As at March 31, 2013	As at March 31, 2012
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
-Unsecured, considered good	1,719,046,843	2,293,931,234
-Unsecured, considered doubtful	259,145,075	251,567,999
-Less: Provision for doubtful debts	(259,145,075)	(251,567,999)
	1,719,046,843	2,293,931,234
Others		
-Unsecured, considered good	4,641,558,707	4,994,038,004
	4,641,558,707	4,994,038,004
Total	6,360,605,550	7,287,969,238

20 Cash and bank balances

Particulars	As at March 31, 2013	As at March 31, 2012
Cash and cash equivalents		
Cash in hand	1,177,529	1,890,518
Funds in transit	45,009,805	63,791,066
Cheques in hand	515,234	15,646
Bank balances in		
-Current accounts	465,150,928	180,966,029
-Deposits with less than 3 months maturity	85,200,000	-
	597,053,496	246,663,259
Other bank balances		
Fixed deposits with maturity more than 3 months but less than 12 months	399,449,832	119,708,113
Margin money with maturity less than 12 months	309,207,878	463,381,014
Unpaid dividend accounts	3,302,624	3,679,632
	711,960,334	586,768,759
Total	1,309,013,830	833,432,018

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(All amounts in rupees, unless otherwise stated)

21 Short term loans and advances

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Loans and advances to related parties		
Unsecured, considered good	161,999,377	98,158,736
(b) Others		
Unsecured, considered good		
- Advances to suppliers	59,954,992	53,401,800
- Prepaid expenses	63,723,661	81,786,151
- Security deposits	13,817,121	20,124,568
- Balance with government authorities	256,795,296	189,357,506
- Advances to employees	1,849,758	4,976,939
- Amount due from directors	16,081,627	-
- Prepaid taxes	-	33,113,382
- Others	27,091,480	27,410,726
Unsecured, considered doubtful		
- Taxes recoverable	449,294	449,294
- Less: Provision	<u>(449,294)</u>	<u>(449,294)</u>
Total	601,313,312	508,329,808

Note:

Amount due from director represents remuneration paid to Managing Director in excess of Schedule XIII of Companies Act, 1956 for the period September 1, 2011 to March 31, 2013 which was paid by the Company during the year ended March 31, 2013 and for which an application has been filed with the Central Government which is pending for their approval.

22. Other current assets

Particulars	As at March 31, 2013	As at March 31, 2012
Interest accrued on fixed deposits	18,535,982	25,974,269
Interest accrued on investments	103,463,706	37,764,315
Interest accrued and due on loan to subsidiaries	329,672,726	225,574,992
Lease rent receivable	230,703,919	205,966,979
Recoverable from banks under CDR Scheme (refer note 7(c))	1,334,391,231	-
Non-current assets classified as held for sale	-	59,097,128
Total	2,016,767,564	554,377,683

23 Revenue from operations

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Sale of products (refer note (i) below):		
- Finished goods	14,364,354,504	19,998,892,756
- Traded goods	30,484,276	42,372,704
	14,394,838,780	20,041,265,460
Sale of services (refer note (ii) below)	531,459,436	811,195,790
Other operating revenues:		
- Scrap sales	54,213,342	91,211,329

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-Old liabilities and provisions no longer required written back	25,784,675	132,596,309
-Export benefits - Focused product scheme	193,831,566	269,632,094
-Others	20,010,829	47,719,692
	293,840,412	541,159,424
Total	15,220,138,628	21,393,620,674

Notes:

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

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Finished goods		
-Optical media products	13,247,247,530	18,738,460,833
-Pen drives and cards	820,013,134	936,495,207
-Others	297,093,840	323,936,716
(A)	14,364,354,504	19,998,892,756
Traded goods		
-Information Technology and Consumer Electronic Products (IT&CE)	30,484,276	42,372,704
(B)	30,484,276	42,372,704
Total (A) + (B)	14,394,838,780	20,041,265,460

(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 year ended March 31, 2013	For the year ended March 31, 2012
Interest income on		
- Deposits with banks	51,354,396	83,243,794
- Loans to subsidiaries	103,706,519	109,507,549
- Income tax refunds	3,972,340	1,736,582
- Unquoted long term investments	66,249,996	66,249,996
Other non-operating income		
Profit on sale of fixed assets (net)	8,790,243	5,843,189
Lease rent	63,005,040	63,005,040
Gain on foreign currency transactions (net)	502,773,653	132,062,295
Total	799,852,187	461,648,445

25 Cost of material consumed

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Raw materials (refer note below)	6,050,431,547	8,563,412,260
Packing materials	1,257,136,016	1,656,350,610
Total	7,307,567,563	10,219,762,870

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Note:

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

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Polycarbonate	3,456,071,854	5,143,803,739
Silver	820,448,778	1,088,203,058
Others	1,773,910,915	2,331,405,463
Total	6,050,431,547	8,563,412,260

26 Purchase of stock in trade

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Purchase of Information Technology and Consumer Electronic Products (IT&CE)	14,363,076	36,433,364
Purchase of compact discs	64,264,255	30,732,238
Others	12,950,784	916,283
Total	91,578,115	68,081,885

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

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Closing 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
Less: Opening stock:		
-Finished goods	1,513,518,462	1,737,480,094
-Work in progress	2,022,939,791	2,683,634,437
-Traded goods	35,147,068	40,130,655
	3,571,605,321	4,461,245,186
Excise duty on finished goods	(3,834,473)	2,796,323
Total	100,983,754	886,843,542

28 Employee benefits expense

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries wages and bonus	1,525,057,318	1,509,562,857
Contributions to -		
-Provident fund	77,865,690	80,758,655
-Employee's state insurance	10,247,769	13,313,127
-Gratuity fund (refer note 43)	36,648,230	35,718,029
Social security and other benefit plans for overseas employees	1,744,664	1,674,725
Staff welfare	150,004,173	156,324,763
Total	1,801,567,844	1,797,352,156

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29 Depreciation, amortisation and impairment

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Depreciation and amortisation	2,902,323,680	3,427,892,786
Reversal of impairment of intangible assets	-	(32,848,882)
Total	2,902,323,680	3,395,043,904

30 Finance cost

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest expense	1,966,742,273	2,387,941,217
Other borrowing costs	-	2,068,125
Total	1,966,742,273	2,390,009,342

31 Other expenses

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Consumption of stores and spares	476,125,590	500,214,360
Power and fuel	1,929,080,947	2,025,927,559
Freight and forwarding	218,493,784	355,551,867
Royalty	776,478,742	762,823,298
Commission on sales	6,719,263	5,176,874
Rent	618,752,879	634,702,976
Repairs		
-To buildings	1,112,522	958,814
-To machinery	45,542,659	65,303,497
-To others	24,452,088	28,304,623
Insurance	101,198,987	122,758,969
Outsourced staff cost	230,107,672	306,861,878
Rates and taxes	7,275,430	7,940,969
Remuneration to auditors (refer note below)	18,334,544	16,077,101
Travelling and conveyance	76,145,261	86,011,426
Legal and professional	190,051,206	65,407,584
Warranty expenses	24,504,269	9,629,918
Loss on cancellation of forward contracts (net)	306,762,087	34,075,634
Others	335,811,385	329,246,343
Total	5,386,949,315	5,356,973,690

Note:

Payment to auditors include the following:

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Statutory audit (including limited reviews)*	13,850,000	15,650,421
Certification	3,000,000	-
Out of pocket expenses	1,484,544	426,680
Total	18,334,544	16,077,101

* includes Rs. 4,950,421 paid to erstwhile auditors for year ended March 31, 2012

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32 Exceptional items

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
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*	(168,852,376)	-
Total	18,461,592	-

*Provision for diminution, other than temporary, in the value of non current investment in European Optic Media Technology GMBH, a subsidiary company.

33 Contingent liabilities

(a) Corporate guarantees given on behalf of the subsidiary companies: Rs.24,678,450,000 (previous year Rs. 24,099,600,000). Against these guarantees, loans aggregating Rs.15,270,411,636 (previous year Rs. 15,573,866,190) have been availed by the subsidiary companies.

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

Particulars	As at March 31, 2013	As at March 31, 2012
Entry tax [Amount paid under protest Rs. 10,354,421 (previous year Rs. 1,863,606) and bank guarantees furnished Rs. 10,919,501 (previous year Rs. 10,366,154)]	133,519,072	127,761,075
Service tax [Amount paid under protest Rs. 2,953,470 (previous year Rs. 2,953,470)]	367,384,719	351,157,722
Sales tax [Amount paid under protest Rs. 17,010,790 (previous year Rs. 10,725,595) and bank and other guarantees furnished Rs. 101,470,187 (previous year Rs. 13,645,780)]	121,988,323	121,658,833
Custom duty and excise duty [Amount paid under protest Rs. 5,796,635 (previous year Rs. 5,103,586) and bank guarantees furnished Rs. Nil (previous year Rs. Nil)]	527,676,009	486,001,268
Income tax [Amount paid under protest Rs. 34,500,000 (previous year Rs. 34,500,000)]	108,889,105	108,889,105
Total	1,259,457,228	1,195,468,003

(c) Claims against the Company not acknowledged as debts: Rs. Nil (previous year Rs. 78,048).

(d) Letters of credit opened by banks on behalf of the Company: Rs. 356,269,994 (previous year Rs. 285,514,138).

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. 155,128,173 (previous year Rs. 205,501,851).

35 (a) Lease obligations

The Company 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 Company's option. Total lease payments recognized in the statement of profit and loss with respect to aforementioned premises is Rs. 94,482,855 (previous year Rs. 86,654,491). The total rent recovered on sub lease during the year is Rs. 63,005,040 (previous year Rs. 63,005,040).

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(b) Assets taken on operating lease

The future minimum lease payments and sub lease rentals are as follows:

Particulars	As at March 31, 2013	As at March 31, 2012
Total of future minimum lease payments under non cancellable operating lease for period	62,505,000	123,204,266
a. Not later than one year	60,004,800	60,699,266
b. Later than one year but not later than five years	2,500,200	62,505,000
c. Later than five years	-	-
Total of future minimum sub-lease rental receivable for a period of three years	65,630,250	128,635,290

(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 March 31, 2013	As at March 31, 2012
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	1,678,894,866	1,767,239,521
Later than five years	868,920,234	1,226,915,579
Total	2,993,555,100	3,439,895,100
Present value of minimum lease payments receivable		
Not later than one year	262,434,824	298,768,842
Later than one year but not later than five years	729,342,478	867,093,757
Later than five years	(2,156,305)	122,527,240
Total	989,620,997	1,288,389,839
Unearned finance income	1,886,949,778	2,034,520,936
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 March 31, 2012	Movement during the year	As at March 31, 2013
Deferred tax liability			
Foreign currency monetary item translation difference account	31,636,611	(31,636,611)	-
Provision for lease rent equalisation	2,812,183	(766,513)	2,045,670
Total	34,448,794	(32,403,124)	2,045,670

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Deferred tax assets			
Provision for leave encashment and gratuity	34,448,794	(32,403,124)	2,045,670
Total	34,448,794	(32,403,124)	2,045,670
Net deferred tax liability	-	-	-

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 and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

(a) The forward exchange contracts outstanding as at March 31, 2013 are as under :

Currency exchange	USD/INR	EUR/USD	EUR/INR
(i) Number of 'buy' contracts	-	-	-
	<i>(1)</i>	-	-
(ii) Aggregate foreign currency amount	-	-	-
Rs. Value	-	-	-
Aggregate foreign currency amount	<i>(40,035)</i>	-	-
Rs. Value	<i>(2,062,203)</i>	-	-
(iii) Number of 'sell' contracts	9	-	1
	<i>(15)</i>	<i>(1)</i>	-
(iv) Aggregate foreign currency amount	10,000,000	-	2,000,000
Rs. Value	562,040,000	-	148,390,000
Aggregate foreign currency amount	<i>(57,590,401)</i>	<i>(5,000,000)</i>	-
Rs. Value	<i>(2,822,730,783)</i>	<i>(339,963,975)</i>	-

(b) The foreign currency exposures not hedged as at year end as at March 31, 2013 are as under:

Currency exchange	USD	EUR	GBP	CHF	JPY	SGD	SEK
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	-
Receivables in foreign currency	<i>(14,937,387)</i>	<i>(19,008,740)</i>	<i>(179)</i>	-	<i>(37,630)</i>	<i>(498)</i>	-
Rs. Value	<i>(760,014,230)</i>	<i>(1,290,123,175)</i>	<i>(14,616)</i>	-	<i>(23,285)</i>	<i>(20,146)</i>	-
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	-
Payables in foreign currency	<i>(148,507,688)</i>	<i>(2,032,151)</i>	<i>(25,691)</i>	<i>(454,208)</i>	<i>(104,854,713)</i>	<i>(70,436)</i>	-
Rs. Value	<i>(7,557,556,263)</i>	<i>(137,962,727)</i>	<i>(2,093,802)</i>	<i>(25,635,496)</i>	<i>(64,936,524)</i>	<i>(2,854,047)</i>	-

Mark-to-market losses related to derivatives are Rs. Nil (previous year Rs. Nil)

Figures in bracket are previous year figures.

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

38 Composition of raw material, packing material, stores, spares and consumables consumed:

Particulars	Raw material and packing material		Stores, spares and tools	
	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012
Imported				
Value (Rs.)	6,010,990,246	8,592,000,783	240,928,954	254,272,487
Percentage	82.26	84.07	50.60	50.83
Indigenous				
Value (Rs.)	1,296,577,317	1,627,762,087	235,196,636	245,941,873
Percentage	17.74	15.93	49.40	49.17
Total	7,307,567,563	10,219,762,870	476,125,590	500,214,360
Percentage	100	100	100	100

39 Foreign currency transactions:

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(A) Value of imports on CIF basis:		
Purchase of finished goods	5,897,553	13,197,363
Raw material, including material in transit Rs. 100,695,411 (previous year Rs. 77,413,198)	3,283,285,105	4,911,141,976
Capital goods, including material in transit Rs. Nil (previous year Rs. Nil)	14,741,118	201,795,619
Stores, spares and consumables, including material in transit Rs 3,385,402 (previous year Rs. 5,089,051)	223,376,007	229,359,005
Packing material, including material in transit Rs. 28,091,254 (previous year Rs. 10,539,342)	363,859,349	56,807,993
Total	3,891,159,132	5,412,301,956
(B) Expenditure in foreign currency (on accrual basis) :		
Travel	10,525,953	16,560,217
Interest	-	7,961,946
Royalty/Technical know-how fees	776,478,742	762,823,298
Directors sitting fees	539,995	730,001
Legal and professional	89,383,287	15,869,588
Other expenditure	153,370,667	101,904,827
Expenditure of foreign branch/liaison office:		
-Staff welfare	83,208	33,160
-Rent/Lease rent	5,483,152	5,441,088
-Legal and professional expenses	2,224,127	3,804,307
-Miscellaneous expenses	29,999,826	78,524,689
-Insurance	4,161,038	4,128,059
-Salaries and wages	27,485,648	28,293,030
-Repairs and maintenance	185,278	15,500
Total	1,099,920,921	1,026,089,710

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(C) Earnings in foreign exchange (on accrual basis) :		
Value of exports on FOB basis	9,387,700,514	13,225,757,810
Interest	48,584,558	46,115,981
Others:		
-Insurance claim received	-	-
-Freight recovery	-	120,781,284
-Other miscellaneous income	1,743,898	1,552,114

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 year 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	Share Holding
Subsidiary	European Optic Media Technology GmbH	100%
Subsidiary	Moser Baer SEZ Developer Limited	100%
Subsidiary	Solar Research Limited	100%
Subsidiary	Moser Baer Laboratories Limited	100%
Subsidiary	Moser Baer Entertainment Limited	100%
Subsidiary	Moser Baer Investments Limited	100%
Subsidiary	Photovoltaic Holdings Limited	100%
Subsidiary	MB Solar Holdings Limited	100%
Subsidiary	Moser Baer Solar Limited	100%
Subsidiary	Moser Baer Photovoltaic Limited	100%
Subsidiary	Perafly Limited	100%
Subsidiary	Dalecrest Limited	100%
Subsidiary	Nicofly Limited	100%
Subsidiary	Perasoft Limited	100%
Subsidiary	Crownglobe Limited	100%
Subsidiary	Peraround Limited	100%
Subsidiary	Advoferm Limited	100%
Subsidiary	Cubic Technologies BV	100%
Subsidiary	TIFTON Limited	100%
Subsidiary	Value Solar Energy Private Limited	100%
Subsidiary	Pride Solar Systems Private Limited	100%
Subsidiary	Admire Energy Solutions Private Limited	100%
Subsidiary	Moser Baer Solar Systems Private Limited (formerly Arise Solar Energy Private Limited)	100%
Subsidiary	Competent Solar Energy Private Limited	100%
Subsidiary	OM&T B.V.	100%
Subsidiary	Moser Baer Technologies Inc. USA	100%
Subsidiary	Moser Baer Infrastructure and Developers Limited	100%

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Nature of relationship	Name of the related party	Share Holding
Subsidiary	Moser Baer Photovoltaic Inc. USA	100%
Associate	Global Data Media FZ LLC	49%
Associate	Moser Baer Infrastructure Limited	26%
Associate	Solar Value Proizvodjna d.d.	40%
Trust	Moser Baer Trust	-
Enterprises over which key management personnel exercise significant influence	Moser Baer Engineering and Construction Limited	-
Enterprises over which key management personnel exercise significant influence	Moser Baer Projects Private Limited.	-

Key management personnel

Chairman & Managing Director	Mr. Deepak Puri
Whole Time Director	Mrs. Nita Puri
Executive Director	Mr. Ratul Puri *

*Ceased from Executive Directorship w.e.f. April 30, 2012 and as Director w.e.f. November 16, 2012.

(b) Details of transactions with the related parties in the ordinary course of business:

(figures in brackets are for the previous year)

Particulars	Associates	Subsidiaries	Key Management Personal and their Relatives	Entities on which Key Management Personnel have significant influence	Total
Sales of finished goods					
O M & T BV	- (-)	122,404,200 (406,040,133)	- (-)	- (-)	
Moser Baer Photovoltaic Limited	- (-)	1,081,710 (143,171,913)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	203,415,056 (121,102,265)	- (-)	- (-)	
Moser Baer Entertainment Limited	- (-)	2,083,404,888 (2,470,995,201)	- (-)	- (-)	
Moser Baer Engineering and Construction Limited	- (-)	- (-)	- (-)	- (-)	2,410,305,854 (3,141,309,511)
Services rendered to related party					
Moser Baer Photovoltaic Limited	- (-)	- (88,085,580)	- (-)	- (-)	
Moser Baer Engineering and Construction Limited	- (-)	- (-)	- (-)	66,268,515 (54,722,588)	66,268,515 (142,808,168)
Services charges (included in services)					
Moser Baer Photovoltaic Limited	- (-)	66,330,010 (57,353,248)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	595,906,433 (796,457,011)	- (-)	- (-)	662,236,443 (853,810,259)
Lease rent (included in services)					
Moser Baer Photovoltaic Limited	- (-)	22,560,000 (16,560,000)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	48,720,000 (42,720,000)	- (-)	- (-)	

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Particulars	Associates	Subsidiaries	Key Management Personal and their Relatives	Entities on which Key Management Personnal have significant influence	Total
Moser Baer Engineering and Construction Limited	- (-)	- (-)	- (-)	6,305,040 (8,667,540)	77,585,040 (67,947,540)
Expenses incurred on behalf of other companies					
Moser Baer Photovoltaic Limited	- (-)	3,602,366 (5,418,678)	- (-)	- (-)	
Moser Baer Solar System Private Limited	- (-)	192,393 (1,799,706)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	6,098,807 (13,905,178)	- (-)	- (-)	
Moser Baer Projects Private Limited	- (-)	- (-)	- (-)	- (46,640)	
Moser Baer Entertainment Limited	- (-)	- (57,860)	- (-)	- (-)	
Moser Baer Engineering and Construction Limited	- (-)	- (-)	- (-)	- (4,300)	
O M & T BV	- (-)	18,437,131 (-)	- (-)	- (-)	
Others	- (-)	316,489 (7,650)	- (-)	- (-)	28,647,186 (21,240,012)
Reimbursement/Recovery against sales					
O M & T BV	- (-)	208,048,690 (64,787,126)	- (-)	- (-)	
Moser Baer Entertainment Limited	- (-)	2,328,207,700 (2,003,882,866)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	24,498,644 (-)	- (-)	- (-)	
Moser Baer Photovoltaic Limited	- (-)	1,081,710 (426,216,523)	- (-)	- (-)	2,561,836,744 (2,494,886,515)
Reimbursement/Recovery of expenses					
Moser Baer Photovoltaic Limited	- (-)	63,620,255 (217,005,400)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	426,400,026 (125,692,766)	- (-)	- (-)	
Moser Baer Projects Private Limited	- (-)	- (-)	- (-)	- (46,640)	
Moser Baer Engineering and Construction Limited	- (-)	- (-)	- (-)	53,661,854 (53,545,638)	
Others	- (-)	316,500 (8,058)	- (-)	- (-)	543,998,635 (396,298,501)
Reversal of provision for doubtful debts					
Global Data Media FZ LLC	- (54,952,459)	- (-)	- (-)	- (-)	- (54,952,459)
Purchase of semi finished goods/ raw material/services					
Moser Baer Entertainment Limited	- (-)	3,273,559 (8,797,540)	- (-)	- (-)	

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Particulars	Associates	Subsidiaries	Key Management Personal and their Relatives	Entities on which Key Management Personnal have significant influence	Total
Moser Baer Photovoltaic Limited	- (-)	14,195 (30,830,789)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	1,570,195 (49,713,837)	- (-)	- (-)	
O M & T BV	- (-)	213,569,933 (81,503,694)	- (-)	- (-)	218,427,882 (170,845,860)
Purchase of fixed assets					
Moser Baer Technologies Inc.	- (-)	23,733,530 (-)	- (-)	- (-)	
O M & T BV	- (-)	- (-2,226,395)	- (-)	- (-)	23,733,530 (-2,226,395)
Expenses charged by related party					
Moser Baer Photovoltaic Limited	- (-)	4,147,634 (38,658,458)	- (-)	- (-)	
Moser Baer Entertainment Limited	- (-)	- (210,048)	- (-)	- (-)	
Moser Baer Technologies Inc.	- (-)	- (12,981,300)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	506,102,633 (528,863,566)	- (-)	- (-)	510,250,267 (580,713,372)
Payment made against security deposit					
Moser Baer Solar Limited	- (-)	- (95,500,000)	- (-)	- (-)	- (95,500,000)
Payment made on behalf of related party					
Moser Baer Entertainment Limited	- (-)	56,163 (1,483,233)	- (-)	- (-)	56,163 (1,483,233)
Loans and advances granted					
Moser Baer Solar Limited	- (-)	169,336,785 (457,800,000)	- (-)	- (-)	
Moser Baer Photovoltaic Limited	- (-)	- (510,667,807)	- (-)	- (-)	
Moser Baer Entertainment Limited	- (-)	30,000,000 (-)	- (-)	- (-)	199,336,785 (968,467,807)
Repayment of loans and advances granted					
Moser Baer Photovoltaic Limited	- (-)	- (510,667,807)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	169,336,785 (473,300,000)	- (-)	- (-)	
Moser Baer Entertainment Limited	- (-)	13,000,000 (-)	- (-)	- (-)	
Moser Baer Infrastructure and Developers Limited	- (-)	3,500,000 (-)	- (-)	- (-)	185,836,785 (983,967,807)
Interest charges in respect of loans/ investments					
Peraround Limited	- (-)	48,584,558 (46,115,981)	- (-)	- (-)	
Moser Baer Infrastructure and Developers Limited	- (-)	11,980,399 (9,493,043)	- (-)	- (-)	

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Particulars	Associates	Subsidiaries	Key Management Personal and their Relatives	Entities on which Key Management Personnal have significant influence	Total
Moser Baer Photo Voltaic Limited	-	-	-	-	
	(-)	(5,471,846)	(-)	(-)	
Moser Baer Solar Limited	-	66,249,996	-	-	
	(-)	(76,351,838)	(-)	(-)	
Moser Baer Entertainment Limited	-	43,141,562	-	-	169,956,515
	(-)	(38,324,837)	(-)	(-)	(175,757,544)
Interest received against loan					
Moser Baer Photovoltaic Limited	-	-	-	-	
	(-)	(22,261,311)	(-)	(-)	
Moser Baer Solar Limited	-	-	-	-	
	(-)	(64,752,460)	(-)	(-)	
Moser Baer Entertainment Limited	-	-	-	-	
	(-)	(9,161,413)	(-)	(-)	
Moser Baer Infrastructure and Developers Limited	-	3,390,735	-	-	3,390,735
	(-)	(-)	(-)	(-)	(96,175,184)
Investments					
Moser Baer Investments Limited	-	-	-	-	-
	(-)	(500,000)	(-)	(-)	(500,000)
Provision for diminution in the value of long term investments					
European Optic Media Technology GmbH	-	(168,852,376)	-	-	(168,852,376)
	(-)	(-)	(-)	(-)	(-)
Directors remuneration					
	-	-	9,050,000	-	9,050,000
	(-)	(-)	(22,353,710)	(-)	(22,353,710)
Outstanding receivables					
In respect of sales or services					
Global Data Media FZ LLC	237,588,923	-	-	-	
	(223,227,763)	(-)	(-)	(-)	
O M & T BV	-	277,844,971	-	-	
	(-)	(376,762,477)	(-)	(-)	
Moser Baer Photovoltaic Limited	-	392,624,383	-	-	
	(-)	(366,308,394)	(-)	(-)	
Moser Baer Solar Limited	-	4,776,949,709	-	-	
	(-)	(4,532,236,377)	(-)	(-)	
Moser Baer Solar System Private Limited	-	1,992,099	-	-	
	(-)	(1,799,706)	(-)	(-)	
Moser Baer Entertainment Limited	-	1,556,485,849	-	-	
	(-)	(1,837,129,379)	(-)	(-)	
Moser Baer Engineering and Construction Limited	-	-	-	50,889,186	7,294,375,120
	(-)	(-)	(-)	(29,669,220)	(7,367,133,316)
In respect of loans and advances					
Peraround Limited	-	914,299,084	-	-	
	(-)	(892,920,049)	(-)	(-)	
Moser Baer Solar Limited (repayable on demand)	-	-	-	-	

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Particulars	Associates	Subsidiaries	Key Management Personal and their Relatives	Entities on which Key Management Personnal have significant influence	Total
	(-)	(8,658,736)	(-)	(-)	
Moser Baer Infrastructure and Developers Limited	-	86,000,000	-	-	
	(-)	(89,500,000)	(-)	(-)	
Moser Baer Entertainment Limited	-	300,000,000	-	-	
	(-)	(300,000,000)	(-)	(-)	
Moser Baer Engineering and Construction Limited	-	-	-	35,974,260	1,336,273,344
	(-)	(-)	(-)	(-)	(1,291,078,785)
In respect of Interest accrued on loans/ investment					
Peraround Limited	-	229,617,040	-	-	
	(-)	(177,245,016)	(-)	(-)	
Moser Baer Infrastructure and Developers Limited	-	27,758,846	-	-	
	(-)	(19,170,384)	(-)	(-)	
Moser Baer Entertainment Limited	-	72,296,840	-	-	
	(-)	(29,159,592)	(-)	(-)	
Moser Baer Solar Limited	-	104,007,682	-	-	433,680,408
	(-)	(37,764,315)	(-)	(-)	(263,339,306)
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	-	-	16,081,627	-	16,081,627
	(-)	(-)	(-)	(-)	(-)
Outstanding payable					
In respect of expenses/purchases (included in due to subsidiaries)					
O M & T BV	-	89,462,256	-	-	
	(-)	(1,966,875)	(-)	(-)	
Moser Baer Solar Limited	-	486,059,316	-	-	
	(-)	(574,337,287)	(-)	(-)	
Cubic Technologies B.V	-	8,273,596	-	-	
	(-)	(80,898,402)	(-)	(-)	
Moser Baer Technologies Inc.	-	7,832,006	-	-	
	(-)	(-)	(-)	(-)	
Moser Baer Photo Voltaic Limited	-	4,142,653	-	-	
	(-)	(33,699,584)	(-)	(-)	
Moser Baer Entertainment Limited	-	-	-	-	595,769,827
	(-)	(49,623,333)	(-)	(-)	(740,525,480)
In respect of other advances					
European Optic Media Technology GmbH	-	865,277	-	-	865,277
	(-)	(1,154,643)	(-)	(-)	(1,154,643)
In respect of security deposit received for lease					
Moser Baer Photovoltaic Limited	-	380,000,000	-	-	
	(-)	(380,000,000)	(-)	(-)	
Moser Baer Solar Limited	-	1,335,000,000	-	-	
	(-)	(1,335,000,000)	(-)	(-)	

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Particulars	Associates	Subsidiaries	Key Management Personal and their Relatives	Entities on which Key Management Personnel have significant influence	Total
Moser Baer Engineering and Construction Limited	- (-)	- (-)	- (-)	12,000,000 (12,000,000)	1,727,000,000 (1,727,000,000)
In respect of managerial remuneration					
Deepak Puri	- (-)	- (-)	- (2,311,507)	- (-)	
Ratul Puri	- (-)	- (-)	-1,147,902 (2,654,774)	- (-)	
Nita Puri	- (-)	- (-)	450,432 (450,432)	- (-)	-697,470 (5,416,713)

(c) Other arrangements

Details of corporate guarantees provided on behalf of subsidiary companies

Particulars	Amount
Moser Baer Photovoltaic Limited	14,436,712,500 (14,070,675,000)
Moser Baer Solar Limited	10,241,737,500 (10,028,925,000)

41 (Loss) per share

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(a) Calculation of weighted average number of equity shares		
1. For Basic EPS		
No. of Shares at the beginning of the year	168,306,104	168,306,104
Total number of equity shares outstanding at the end of the year	168,306,104	168,306,104
Weighted average number of equity shares outstanding during the year	168,306,104	168,306,104
2. For Diluted EPS		
Weighted average number of equity shares outstanding during the year as computed above	168,306,104	168,306,104
Weighted average number of stock options outstanding during the year	-	-
Weighted average number of equity shares outstanding during the year for diluted EPS	168,306,104	168,306,104
(b) Net (loss) after tax available for equity shareholders	(4,591,663,670)	(3,194,231,953)
(Loss) per share (face value per share Rs. 10 each)		
Basic	(27.28)	(18.98)
Diluted	(27.28)	(18.98)

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

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 year ended March 31, 2013.

43 Employee benefits

The Company has classified the various benefits provided to employees as under :

A Defined contribution plans

During the year, the Company has recognised the following amounts in the statement of profit and loss:

(i) **Provident fund**

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Employers' contribution to Provident Fund*	46,918,316	49,684,122

(ii) **State plans**

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Employers' contribution to Employee's State Insurance Act, 1948	10,247,769	13,313,127
Employers' contribution to Employee's Pension Scheme, 1995	24,360,341	24,277,196

* Included in contribution to provident and other 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 year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012
Discount rate (per annum)	8.00%	8.60%	8.00%	8.60%
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)	7.43	7.63	7.43	7.63

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

(ii) Changes in the present value of obligation

Particulars	Unavailed leaves (unfunded)		Employee's gratuity fund	
	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012
Present value of obligation as at April 1, 2012	87,447,743	81,531,908	224,540,108	196,614,786
Interest cost	8,197,584	7,431,042	20,334,817	17,700,058
Current service cost	13,000,098	14,633,563	24,725,267	25,955,051
Benefits paid	(10,254,192)	(12,184,472)	(25,628,035)	(17,118,000)
Actuarial (gain)/loss on obligations	(17,516,076)	(3,964,298)	2,267,593	1,388,213
Present value of obligation as at March 31, 2013	80,875,157	87,447,743	246,239,750	224,540,108

(iii) Changes in the fair value of plan assets

Particulars	Employee's gratuity fund	
	For the year ended March 31, 2013	For the year ended March 31, 2012
Fair value of plan assets as at April 1, 2012	123,143,341	130,934,270
Expected return on plan assets	10,370,956	11,503,359
Actuarial gains and losses	308,491	(2,178,066)
Contributions	-	1,778
Benefits paid	(25,628,035)	(17,118,000)
Fair value of plan assets as at March 31, 2013	108,194,753	123,143,341

(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 year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009
Present value of defined benefit obligation	246,239,750	224,540,108	196,614,786	182,439,484	135,012,098
Fair value of plan assets	108,194,753	123,143,341	130,934,270	133,153,245	106,201,636
Surplus or (deficit) in the plan assets	(138,044,997)	(101,396,767)	(65,680,516)	(49,286,239)	(28,810,462)

The expected contribution on account of gratuity for the year ending March 31, 2014 can't be ascertained at this stage.

Particulars	Unavailed leaves (unfunded)				
	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009
Present value of defined benefit obligation	80,875,157	87,447,743	81,531,908	83,452,256	71,570,155
Fair value of plan assets	-	-	-	-	-
Surplus or (deficit) in the plan assets	(80,875,157)	(87,447,743)	(81,531,908)	(83,452,256)	(71,570,155)

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

(v) Expenses recognised in the statement of profit and loss

Particulars	Unavailed leaves (unfunded)		Employee's gratuity fund	
	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012
Current service cost	13,000,098	14,633,563	24,725,267	25,955,051
Interest cost	8,197,584	7,431,042	20,334,817	17,700,058
Expected return on plan assets	-	-	(10,370,956)	(11,503,359)
Net actuarial (gain)/loss recognised in the year	(17,516,076)	(3,964,298)	1,959,102	3,566,279
Effect of curtailments	-	-	-	-
Past service cost	-	-	-	-
Total expenses recognized in statement of profit and loss	**3,681,606	**18,100,307	*36,648,230	*35,718,029

* Included in contribution to provident and other funds (refer note 28)

** Included in personnel expenses (refer note 28)

In respect of the employee's gratuity fund, constitution of plan assets is not readily available from the Life Insurance Corporation of India.

44 Foreign currency convertible bonds

(a) The utilisation of the proceeds of USD 150,000,000 zero coupon foreign currency convertible bonds issued is as under:

Particulars	As at March 31, 2013		As at March 31, 2012	
	USD	Rs.*	USD	Rs.*
Funds available at the beginning of the year	147,911	7,525,709	152,924	6,819,641
Bank charges	5,202	284,952	5,013	252,826
Unutilised issue proceeds #	142,709	7,746,966	147,911	7,525,709

Restated as at year end.

* Net of foreign exchange gain of Rs. 506,209 for the year ended March 31, 2013 and loss of Rs. 958,895 for the year ended March 31, 2012.

(b) Premium on redemption of FCCB : Movement from beginning to end of reporting year as follows:

Particulars	As at March 31, 2013	As at March 31, 2012
Opening balance	1,793,150,173	1,064,331,621
Add : Provision for the year	606,568,486	728,818,552
	2,399,718,659	1,793,150,173
Less: Current maturities transferred to other current liabilities	1,784,830,756	-
Closing balance	614,887,903	1,793,150,173

Premium payable on redemption of FCCB accrued up to March 31, 2013 calculated on prorata basis Rs. 2,399,718,659 (previous year Rs. 1,793,150,173) has been fully provided for and charged to securities premium account. In the event that the conversion option is exercised by the holders of FCCB in the future, the amount of premium charged to the securities premium account shall be written back to security premium account.

(c) 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 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:

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Particulars	As at March 31, 2013	As at March 31, 2012
Amortisation charged to statement of profit and loss	515,366,123	363,121,552
Un-amortised exchange differences	-	(97,508,432)

(d) The outstanding foreign currency convertible bonds (FCCBs) aggregating to principal value of USD 88,500,000 (equivalent to Rs 4,805,107,500) matured for redemption on June 21, 2012, which have since been claimed by the trustee of the bondholders. The Company has applied for relevant regulatory approvals and meanwhile is in discussions with the bondholders through the Trustee, to re-structure 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 trustee on behalf of certain bondholders has also filed a petition under section 434 of the Companies Act, 1956 with Hon'ble High Court of Delhi, which is pending.

45 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 Act, 2006

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Amount remaining unpaid to micro ,small and medium enterprises at the end of year		
Principal amount	64,445,555	15,785,039
Interest thereon	18,423,962	13,903,886
Total	82,869,517	29,688,925
(b) Amount of payments made to micro, small and medium enterprises beyond the appointed date during the year		
Principal amount	185,601,345	375,246,018
Interest actually paid u/s 16 of the act.	-	-
Total	185,601,345	375,246,018
(c) Interest due & payable (excluding interest u/s 16 of the act) to micro, small and medium enterprises for delayed payments		
Interest accrued during the year as per agreed terms.	-	-
Interest payable during the year as per agreed terms.	-	-
(d) Interest accrued (including interest u/s 16 of the act) and remaining unpaid at the end of the year		
Interest accrued during the year.	18,423,962	8,322,172
Interest remaining unpaid during the year.	18,423,962	8,322,172

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

46 Details of defaults in repayment of dues to the bank:

Due date	Amount	Delay in days
February 20, 2012	18,750,000	405
February 29, 2012	260,750	396
March 31, 2012	195,078	365
April 30, 2012	188,785	335
May 31, 2012	195,078	304
June 30, 2012	188,785	274
July 31, 2012	195,078	243
August 31, 2012	195,078	212
September 30, 2012	188,785	182
October 31, 2012	195,078	151
November 30, 2012	188,785	121
December 31, 2012	195,078	90
January 31, 2013	195,078	59
February 28, 2013	176,199	31

(Refer note 7 for long term borrowing).

47 Impairment of Investments

(a) The Company has performed a detailed assessment, using valuations performed by an independent valuer, to determine whether its investments in and advances or other receivables from MBPV and MBSL are recoverable. Such assessment is based on successful implementation of new technologies, external market conditions, regulatory benefits and conclusion of debt restructuring in the terms as proposed by these subsidiaries. The management has concluded that no adjustments to the carrying values of underlying investments in and advances or other receivables from these subsidiaries aggregating to Rs 7,635,698,665 are required to be made in the results for the year ended March 31, 2013.

(b) The Company has an investment in and certain amounts recoverable from another subsidiary, Moser Baer Entertainment Limited (MBEL) amounting to Rs 1,574,996,840 as at March 31, 2013. A business valuation of MBEL has been carried out by the management internally based on MBEL's business plans, which include new initiatives to be undertaken by the Company and MBEL to leverage the market. Based on this valuation, no provision for impairment of either the investment or amounts recoverable has been made in the stand alone financial statements of the Company for the year ended March 31, 2013.

48 Corresponding figures for the previous year have been regrouped / rearranged, wherever necessary to conform to current year classification.

For Walker, Chandio & Co
Chartered Accountants

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

per Ashish Gupta
Partner

Deepak Puri
Chairman and
Managing Director

Nita Puri
Director

Place: New Delhi
Date: May 30, 2013

Yogesh Mathur
Group CFO

Minni Katariya
Head Legal and
Company Secretary

Independent Auditors' Report

To the Board of Directors 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 March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, 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. 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 March 31, 2013;
 - ii) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
 - iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

7. We draw attention to note 48(a) to the Consolidated Financial Statements regarding re-structuring of the outstanding Foreign Currency Convertible Bonds, the related accounting and also the uncertainty of this being accepted by the bond holders and approved by concerned regulatory authorities. Our opinion is not qualified in respect of this matter.
8. We draw attention to note 47 in the Consolidated Financial Statements regarding management's assessment of impairment of fixed assets of two material subsidiaries - Moser Baer Solar Limited and Moser Baer Photovoltaic Limited. Management's conclusion, based on value in use computed by an independent valuer, has significant assumptions on successful implementation of new technologies, external market conditions, regulatory benefits and conclusion of debt restructuring in the terms as proposed by the subsidiaries, which are significantly uncertain. Our report is not qualified in respect of this matter.

Other Matter

9. We did not audit the financial statements of certain subsidiaries and associates included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 471,560,604 as at March 31, 2013; total revenues (after eliminating intra-group transactions) of Rs. 341,247,580 and net cash flows aggregating to Rs. 38,562,094 for the year 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 year 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.

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

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

Place: New Delhi
Date: May 30, 2013

MOSER BAER INDIA LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

	Notes	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	5	1,683,061,040	1,683,061,040
Preference shares issued by subsidiary companies	6	8,255,338,571	8,155,338,571
Reserves and surplus	7	(19,162,480,762)	(9,491,100,700)
Total equity		(9,224,081,151)	347,298,911
Share application money pending allotment	8	200,000,000	-
Non-current liabilities			
Long-term borrowings	9	20,903,003,610	9,729,569,221
Other long-term liabilities	10	76,233,621	79,433,538
Long-term provisions	11	529,211,181	442,941,347
Total non-current liabilities		21,508,448,412	10,251,944,106
Current liabilities			
Short-term borrowings	12	9,441,506,321	16,301,528,354
Trade payables	13	2,803,995,514	3,534,256,680
Other current liabilities	14	13,814,597,215	12,627,777,508
Short-term provisions	15	1,073,228,609	2,282,826,836
Total current liabilities		27,133,327,659	34,746,389,378
Total equity and liabilities		39,617,694,920	45,345,632,395
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	16	21,812,916,614	25,315,181,047
Intangible assets	16	1,421,922,951	1,569,392,015
Capital work-in-progress		57,656,475	132,783,187
Intangible assets under development		228,274,907	280,306,099
Non-current investments	17	8,074,951	601,402,947
Long-term loans and advances	18	2,137,102,620	2,206,573,743
Other non-current assets	19	104,896,415	63,269,391
Total non-current assets		25,770,844,933	30,168,908,429
Current assets			
Inventories	20	6,338,981,943	7,355,759,899
Trade receivables	21	2,725,924,626	4,479,757,853
Cash and bank balances	22	1,767,295,583	1,640,804,321
Short-term loans and advances	23	1,424,687,631	1,554,865,160
Other current assets	24	1,589,960,204	145,536,733
Total current assets		13,846,849,987	15,176,723,966
Total assets		39,617,694,920	45,345,632,395

The accompanying notes from 1 to 53 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, Chandio & Co
Chartered Accountants

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

per Ashish Gupta
Partner

Deepak Puri
Chairman and
Managing Director

Nita Puri
Director

Place: New Delhi
Date: May 30, 2013

Minni Katariya
Head Legal and
Company Secretary

Yogesh Mathur
Group CFO

MOSER BAER INDIA LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

	Notes	Year ended March 31, 2013	Year ended March 31, 2012
REVENUE			
Revenue from operations (gross)	25	17,415,434,930	27,065,425,471
Less: Excise duty		(557,037,410)	(572,312,131)
Revenue from operations (net)		<u>16,858,397,520</u>	<u>26,493,113,340</u>
Other income	26	669,237,860	463,087,741
Total revenue		<u>17,527,635,380</u>	<u>26,956,201,081</u>
EXPENSES			
Cost of materials consumed	27	8,416,492,708	12,074,551,033
Cost of film production		18,733,457	-
Purchases of stock-in-trade	28	485,545,082	2,092,283,309
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	391,742,452	2,424,232,451
Employee benefits expense	30	2,557,567,564	2,620,184,261
Finance costs	31	3,962,690,182	3,619,420,542
Depreciation, amortisation and impairment	32	4,086,833,223	4,568,681,263
Amortisation of foreign currency monetary items translation difference account		515,366,123	363,121,552
Other expenses	33	5,894,618,815	6,867,892,227
Total expenses		<u>26,329,589,606</u>	<u>34,630,366,638</u>
(Loss) before exceptional items and tax		<u>(8,801,954,226)</u>	<u>(7,674,165,557)</u>
Exceptional items	34	(360,134,268)	(12,397,182)
(Loss) before tax		<u>(9,162,088,494)</u>	<u>(7,686,562,739)</u>
Tax expense:			
-Current tax		231,514	70,024
(Loss) for the year		<u>(9,162,320,008)</u>	<u>(7,686,632,763)</u>
Share in loss of associates		-	-
Net (loss) for the year		<u><u>(9,162,320,008)</u></u>	<u><u>(7,686,632,763)</u></u>
(Loss) per equity share (equity share of par value of Rs 10 each)-Basic and diluted	44	(54.44)	(45.67)

The accompanying notes from 1 to 53 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, Chandio & Co
Chartered Accountants

per Ashish Gupta
Partner

Place: New Delhi
Date: May 30, 2013

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

Deepak Puri
Chairman and
Managing Director

Minni Katariya
Head Legal and
Company Secretary

Nita Puri
Director

Yogesh Mathur
Group CFO

MOSER BAER INDIA LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Cash flow from operating activities:			
(Loss) before tax		(9,162,088,494)	(7,686,562,739)
Adjustments for:			
Depreciation, amortisation and impairment		4,602,199,346	4,931,802,815
Interest expense		3,945,726,538	3,619,420,542
Interest income		(88,257,440)	(220,163,628)
(Profit)/loss on sale of fixed assets (net)		(8,254,713)	(5,835,434)
Debts/advances written off		2,926,409	16,069,662
Provision for bad and doubtful debts		55,744,398	18,874,174
Provision for doubtful advances		63,104,015	25,000,000
Old liabilities and provisions no longer required written back		(112,565,157)	(256,824,272)
Provision for employee benefits		27,526,173	4,916,883
Stock written off		40,288,285	54,512,592
Provision for slow moving stock		-	5,514,544
Provision for other probable obligations		35,449,829	35,449,829
Provision for warranty		13,945,884	27,443,011
Provision for films under production		10,045,546	-
Unrealised foreign exchange (gain)/loss		(300,369,577)	26,945,146
Dimuntion in value of investment		593,327,997	-
Exceptional items		(233,193,729)	12,397,182
Prior period expenses/(income) (net)		(92,836,198)	(49,370,908)
Operating profit/(loss) before working capital changes		(607,280,888)	559,589,399
Adjustments for changes in working capital:			
(Increase)/decrease in trade receivables		1,716,145,312	1,706,014,541
(Increase)/decrease in loans and advances and other assets		(1,551,654,133)	2,343,314,390
(Increase)/decrease in inventories		966,444,125	2,808,175,599
Increase/(decrease) in trade payable and other liabilities		480,576,398	(3,898,827,612)
Cash generated from operations		1,004,230,814	3,518,266,317
Income tax (paid)(net of tax deducted at source)		160,743,375	(34,299,339)
Prior period (expenses)/income (net)		92,836,198	-
Net cash generated from operating activities	A	1,257,810,387	3,483,966,978
Cash flow from investing activities:			
Purchase of fixed assets/additions to capital work in progress		(167,155,525)	(1,936,928,493)
Proceeds from sale of fixed assets		15,079,696	100,378,952
Net movement from fixed deposits, unpaid dividend		289,748,280	(120,619,651)
Interest received		113,700,157	250,077,586
Net cash generated from/(used in) investing activities	B	251,372,608	(1,707,091,606)
Cash flow from financing activities:			
Proceeds from share application money		200,000,000	-
Proceeds from issue of preference shares by subsidiary		100,000,000	-
Proceeds from long term borrowings		-	737,202,604
Net movement in long term borrowings (net)		9,001,406,077	(3,395,950,176)
Net movement in short term borrowings (net)		(6,855,358,274)	3,014,570,046
Finance cost paid		(3,551,697,337)	(3,213,911,112)
Dividend paid for earlier years		(377,008)	(745,280)
Net cash (used in) financing activities	C	(1,106,026,542)	(2,858,833,918)

MOSER BAER INDIA LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	403,156,454	(1,081,958,546)
Exchange gain/(loss) on cash and cash equivalents		13,083,089	32,468,665
Net increase/(decrease) in cash and cash equivalents		416,239,542	(1,049,489,881)
Cash and cash equivalents at beginning of the year		483,961,989	1,533,451,870
Cash and cash equivalents at end of the year		900,201,531	483,961,989
Components of cash and cash equivalents			
Cash, cheques and drafts in hand		142,350,128	17,066,345
Remittances in transit		46,186,520	66,588,051
Balance with banks		624,327,824	383,034,414
Deposits with less than 3 months maturity		87,337,059	17,273,179
		900,201,531	483,961,989

Notes :

- The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 notified under sub-section 3C of Section 211 of the Companies Act, 1956.
- The proceeds from long term borrowings comprise of refund received from banks amounting to Rs.2,367,551,478, working capital term loan carved out from short term borrowings amounting to Rs. 5,266,597,476 (reflected in net proceeds from short term borrowings above) and interest liability converted into funded interest term loan amounting to Rs.2,284,184,991 due to implementation of corporate debt restructuring (refer note 9(iv)).
- Figures in brackets indicate cash outflow.
- Corresponding figures for the previous year have been regrouped and recast wherever necessary to conform to the current year's classification.
- The accompanying notes from 1 to 53 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, Chandio & Co
Chartered Accountants

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

per Ashish Gupta
Partner

Deepak Puri
Chairman and
Managing Director

Nita Puri
Director

Place: New Delhi
Date: May 30, 2013

Minni Katariya
Head Legal and
Company Secretary

Yogesh Mathur
Group CFO

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

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 to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

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. (Refer note 35 (a))
- d) The financial statements of the subsidiaries have been drawn for the period from April 1, 2012 or date of incorporation/ acquisition, whichever is later, to March 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 statement of profit and loss 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 year 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 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 period.

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.

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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 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.

(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.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

(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	}	At lower of cost and net realisable value
Raw materials, packing materials and stores and spares		

(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.

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(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 year 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 year in which such gains or losses arise.

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(iii) Unavailed leaves

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 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.

(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 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.

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 entities

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 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.

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(All amounts in rupees, unless otherwise stated)

(ii) Deferred tax:

Deferred income taxes reflects 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 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.

Goodwill arising on consolidation is tested for impairment at every balance sheet date.

(n) Warranty claims

The solar subsidiaries provides up to 5 year limited warranty that crystalline silicon solar photo voltaic modules (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.

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(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 within 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 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.

(r) 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 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 year in which such cancellation or renewal is made.

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5 Share capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount	Number	Amount
Authorised				
Equity shares of Rs. 10 each	1,250,000,000	12,500,000,000	300,000,000	3,000,000,000
	1,250,000,000	12,500,000,000	300,000,000	3,000,000,000
Issued				
Equity shares of Rs. 10 each	168,306,104	1,683,061,040	168,306,104	1,683,061,040
Subscribed and fully paid up				
Equity shares of Rs. 10 each fully paid	168,306,104	1,683,061,040	168,306,104	1,683,061,040
	168,306,104	1,683,061,040	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 5 years including the current reporting year:-

(No. of Shares)

Particulars	As at	As at	As at	As at	As at	As at
	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Equity shares allotted as fully paid up bonus shares by capitalisation of general reserve.	-	-	-	-	25,000	56,077,035

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

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	168,306,104	1,683,061,040	168,306,104	1,683,061,040
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	168,306,104	1,683,061,040	168,306,104	1,683,061,040

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

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of shares held	% of holding	No. of shares held	% of holding
Woodgreen Investments Limited	-	-	22,050,000	13.10
Ratul Puri	-	-	16,143,753	9.59
Deepak Puri	23,013,857	13.67	-	-
International Finance Corporation	15,076,791	8.96	15,076,791	8.96
Electra Partners Mauritius Limited	9,960,345	5.92	9,960,345	5.92
Ealing Investments Limited	-	-	9,600,000	5.70
Bloom Investments Limited	-	-	9,600,000	5.70
Randall Investments Limited	-	-	9,600,000	5.70

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(E) Stock option plans:-

The Company has two stock option plans.

(i) Employee Stock Option Plan 2004 & 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 year is as follows:-

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Weighted Average Price	Number	Weighted Average Price
Options outstanding at beginning of year	1,233,950	257.39	1,588,435	242.78
Add: Options granted	-	-	-	-
Less: Options exercised	-	-	-	-
Less: Options cancelled	284,800	167.44	140,005	189.97
Less: Options lapsed	294,700	220.79	214,480	218.66
Options outstanding at the end of year	654,450	313.02	1,233,950	257.39
Option exercisable at the end of year	629,050	318.82	1,090,646	271.01

The option outstanding at the end of the year 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 0.08 years (previous year 0.79 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 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 determine. 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.

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

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Weighted Average Price	Number	Weighted Average Price
Options outstanding at beginning of year	2,081,204	76.82	2,588,740	76.86
Add: Options granted	-	-	-	-
Less: Options exercised	-	-	-	-
Less: Options cancelled	548,967	76.98	507,536	77.02
Less: Options lapsed	-	-	-	-
Options outstanding at the end of year	1,532,237	76.77	2,081,204	76.82
Option exercisable at the end of year	926,874	77.98	759,974	78.45

The options outstanding at the end of year had exercise prices 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 1.09 years (previous year 2.05 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 year and outstanding at the end of the year:-

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Weighted Average Price	Number	Weighted Average Price
Options outstanding at beginning of year	213,386	129.84	383,678	129.84
Add: Options granted	-	-	-	-
Less: Options cancelled	117,380	129.32	170,292	129.88
Options outstanding at the end of the year	96,006	129.88	213,386	129.84
Options exercisable at the end of the year	68,019	129.88	45,553	129.84

The options outstanding at the end of the year have an exercise price of Rs. 500 (previous year Rs.500) and a weighted average remaining contractual life of 3.94 years (previous year 4.94 years).

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

6. Preference shares issued by subsidiary companies:

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount	Number	Amount
Re. 1 dividend bearing non-cumulative redeemable series D preference shares of Rs. 10 each	10,000,000	100,000,000	-	-
Fully convertible preference shares of £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 £1 each fully paid up	43,360,485	3,575,088,640	43,360,485	3,575,088,640
	338,595,091	8,255,338,571	328,595,091	8,155,338,571

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 £1 each to Invest 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 March 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.

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

7. Reserves and surplus

Particulars	As at March 31, 2013	As at March 31, 2012
Capital Reserve		
Opening balance	181,440,000	181,440,000
Add: Additions during the year	-	-
Less: Amount utilised during the year	-	-
Closing balance	<u>181,440,000</u>	<u>181,440,000</u>
Securities premium account		
Opening balance	7,139,740,801	7,868,559,355
Less: Premium on redemption of Foreign currency convertible bonds (refer note 48(c))	606,568,486	728,818,554
Closing balance	<u>6,533,172,315</u>	<u>7,139,740,801</u>
General reserve		
Opening balance	-	2,878,376,009
Less: Transfer to statement of profit and loss	-	(2,878,376,009)
Closing balance	<u>-</u>	<u>-</u>
Foreign currency monetary items translation difference account		
Opening balance	(97,508,432)	32,392,554
Add: Exchange gain/(loss) of long term foreign currency liabilities	(417,857,691)	(493,022,538)
Add: Amortised in statement of profit and loss	515,366,123	363,121,552
Closing balance	<u>-</u>	<u>(97,508,432)</u>
Foreign currency translation reserve		
Opening balance	(29,472,204)	(29,472,204)
Add: Additions during the year	-	-
Less: Amount utilised during the year	-	-
Closing balance	<u>(29,472,204)</u>	<u>(29,472,204)</u>
Deficit as per statement of profit and loss		
Opening balance	(16,685,300,865)	(11,877,044,111)
Add: Net (loss) for the year	(9,162,320,008)	(7,686,632,763)
Less: Transfer from general reserves	-	(2,878,376,009)
Closing balance	<u>(25,847,620,873)</u>	<u>(16,685,300,865)</u>
	<u>(19,162,480,762)</u>	<u>(9,491,100,700)</u>

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

8. Share application money pending allotment

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount	Number	Amount
Equity shares of face value Rs 10 each proposed to be issued	20,000,000	200,000,000	-	-
	<u>20,000,000</u>	<u>200,000,000</u>	<u>-</u>	<u>-</u>

Share application money pending allotment represents contribution received from promoters under CDR scheme (refer note 9(iv) for more details on CDR scheme). The equity shares are expected to be allotted against the share application money within a reasonable period. The Company has sufficient authorised capital to cover the share capital amount on allotment of above shares.

9. Long term borrowings

Particulars	As at March 31, 2013	As at March 31, 2012
Secured		
Rupee loans		
-From Banks		
-Term loans	14,329,940,817	13,179,193,219
-Working capital term loan	1,276,436,000	-
-Funded interest term loan	1,438,722,270	-
-From Others		
-Term loans	719,204,208	414,833,331
-Working capital term loan	3,990,161,476	-
-Funded interest term loan	845,462,721	-
	<u>22,599,927,492</u>	<u>13,594,026,550</u>
Less: current maturities of long term debts (refer note 14)	2,770,221,516	5,667,523,551
	<u>19,829,705,976</u>	<u>7,926,502,999</u>
Foreign currency loans		
-From Banks	877,177,267	882,706,205
-From Others	1,680,791,393	1,673,211,760
	<u>2,557,968,660</u>	<u>2,555,917,965</u>
Less: current maturities of long term debts (refer note 14)	1,484,671,026	752,851,743
	<u>1,073,297,634</u>	<u>1,803,066,222</u>
	<u>20,903,003,610</u>	<u>9,729,569,221</u>

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

9 Long term borrowings (continued)

Additional disclosures :

(a) Secured borrowings:-

(i) Nature of security and terms of repayment for secured borrowings :

	As at March 31, 2013	Nature of security	Terms of repayment (refer note below (iv))
Rupee term loan	9,581,198,806	(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 & Developer Limited (a subsidiary of the company) at Chennai on pari passu basis (vi) Corporate guarantee of Moser Baer Infrastructure & Developers Limited (a subsidiary of the company) (vii) Pledge of shares of Moser Baer Infrastructure & 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 loan	18,750,000	First pari passu charge on fixed assets of the company	Repayable in 16 quarterly installments effective from May, 2008
Rupee term loan	270,826,000	(i) First pari-passu charge by way of mortgage on the immovable properties comprising of 19736 sq. mtr. of land at plot 66B 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	Rapaybale in 30 unequal quarterly installment from the end of moratorium period i.e., March 31, 2014
Rupee term loan	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 19736 sq mtr of land at plot 66B 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	
Rupee term loan	460,700,000	(i) First pari passu charge by way of hypothecation of the existing and future current assets of Moser Baer Photovoltaic Limited (a subsidiary 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 borrower's premises at plot 66B or anywhere else. (ii) Personal Guarantee of Mr. Deepak Puri	
Rupee term loan	525,400,000	(i) First pari-passu charge by way of hypothecation over current assets (both present and future) of Moser Baer Photovoltaic Limited (subsidiary) (ii) Personal Guarantee of Mr. Deepak Puri	
Rupee term loan	120,000,000	(i) First pari passu charge by way of hypothecation of the existing and future current assets of Moser Baer Photovoltaic Limited (a subsidiary of the company)	
Rupee term loan	130,000,000	and second pari passu charge on fixed assets of the Moser Baer Photovoltaic Limited (a subsidiary of the company) (ii) Personal Guarantee of Mr. Deepak Puri	

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(All amounts in rupees, unless otherwise stated)

	As at March 31, 2013	Nature of security	Terms of repayment (refer note below (iv))
Rupee term loan	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 21000 sq mtr of land together with building and structures constructed/to be constructed with fixed plant and machinery	Loan repayable in-23 equal installments of Rs. 26,667,000 1 installment of Rs. 26,659,000 (Effective from April 2009).
Rupee term loan	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 21000 sq mtr of land together with building and structures constructed/to be constructed with fixed plant and machinery	Loan repayable in-23 equal installments of Rs. 4,930,000 1 installment of Rs. 26,659,000 (Effective from April 2009).
Rupee term loan	308,833,331	First pari-passu charge on the immovable properties of Moser Baer Solar Limited (a subsidiary of the company) at plot 66B comprising of 21000 sq mtr of land together with building and structures constructed/to be constructed with fixed plant and machinery	Loan repayable in 24 equal installments effective from March 2008 after a moratorium of 12 months.
Rupee term loan	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 no 66 B Udhog Vihar admeasuring 21,000 sq mtr situated in Greater Noida along with building structures thereon	Loan repayable in 20 equal installments effective from September 2013.
Rupee term loan	1,000,000,000	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) Further first pari-passu charge by way of mortgage over plot no 66 B Udhog Vihar admeasuring 21,000 sq metres situated in Greater Noida along with building structures thereon	Loan repayable in 20 equal installments effective from December 2012 after a moratorium of 24 months.
Rupee term loan	1,489,015,067	First charge by way of hypothecation of entire movable 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	Loan repayable in 20 equal installments effective from September 2013 after a moratorium of 24 months.
Rupee term loan	106,000,000	First pari passu charge over Moser Baer Solar Limited's (a subsidiary of the company) entire movable fixed assets, both present and future. Fixed asset as per schedule III of hypothecation deed means: particularly movable plant and machinery, equipments, furniture appliances, accessories whether or not installed First pari-passu charge by way of mortgage over plot no 66 B Udhog Vihar admeasuring 21,000 sq metres situated in Greater Noida along with building structures thereon.	Loan repayable in 20 equal installments effective from September 2012 after a moratorium of 24 months.
Working capital term loan	1,399,900,000	(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 & Developer Limited(a subsidiary of the Company) at Chennai on pari passu basis	Repayable in 16 quarterly installments after moratorium of 2 years from cut off date i.e. November 30, 2011, commencing from February 2014

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(All amounts in rupees, unless otherwise stated)

9 Long term borrowings (continued)

	As at March 31, 2013	Nature of security	Terms of repayment (refer note below (iv))
Funded interest term loan	1,464,635,147	(vi) Corporate guarantee of Moser Baer infrastructure & Developers Limited (a subsidiary of the Company) (vii) Pledge of shares of Moser Baer Infrastructure & Developers Limited (a subsidiary of the Company)	Repayable in 7 quarterly installments starting from September 30, 2013
Working capital term loan*	3,866,697,476	First pari-passu charge by way of hypothecation on fixed assets and second charge on current assets	Repayable in 32 unequal quarterly installments from the end of moratorium period i.e March 31, 2014
Funded interest term loan *	819,549,844	First pari-passu charge by way of hypothecation on fixed assets and second charge on current assets	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
(refer note 14) 2,770,221,516

Net long term
borrowings **19,829,705,976**

* As per terms of corporate debt re-structuring (CDR), Working Capital Term Loan and Funded Interest term Loan will have first pari passu charge on fixed assets and second charges on current assets of the company. The creation of security documents and filing of charge with Registrar of Companies is pending as on the date of balance sheet.

	As at March 31, 2012	Nature of security	Terms of repayment (refer note below (iv))
Rupee term loan	249,992,000	First pari-passu charge by way of mortgage on the immovable properties of Moser Baer Photovoltaic Limited (a subsidiary of the company) comprising of 19736 sq mtr of land at plot 66B 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	Loan repayable in 24 equal quarterly installments effective from March 2009 after a moratorium period of 18 months
Rupee term loan	200,000,272	First pari-passu charge for term loan and second pari-passu charge for working capital facilities by way of mortgage on the immovable properties of Moser Baer Photovoltaic Limited (a subsidiary of the company) comprising of 19736 sq mtr of land at plot 66B 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	Loan repayable in 24 equal quarterly installments effective from October 2007 after a moratorium period of 12 months
Rupee term loan	460,700,000	First pari-passu charge by way of hypothecation of the existing and future current assets of Moser Baer Photovoltaic Limited (a subsidiary 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/to be installed at borrower's premises at plot 66B or anywhere else	Loan repayable in - 9 installments of Rs.1.53 crores for 2009-10, 24 installments of Rs.1.25 crores for 2010-12, 12 installments of Rs.1.10 crores for 2012-13, 24 installments of Rs.1.06 crores for 2013-15. (Effective from July 2009)
Rupee term loan	468,817,501	First pari-passu charge by way of hypothecation over current assets (both present and future) of Moser Baer Photovoltaic Limited (a subsidiary of the company)	Loan repayable in - 1 installment of Rs.1.23382 crores, 65 installments of Rs.1.23373 crores (Effective from September 2009)

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(All amounts in rupees, unless otherwise stated)

	As at March 31, 2012	Nature of security	Terms of repayment (refer note below (iv))
Rupee term loan	308,833,330	First pari-passu charge on the immovable properties of the Company at plot 66B comprising of 21000 sq mtr of land together with building and structures constructed/to be constructed with fixed plant and machinery	Loan repayable in 24 equal installments effective from March 2008 after a moratorium of 12 months
Rupee term loan	106,000,000	First pari-passu charge over borrower's entire movable fixed assets, both present and future. Fixed assets as per schedule III of hypothecation deed means: particularly movable plant and machinery, equipments, furniture appliances, accessories whether or not installed	Loan repayable in 20 equal installments effective from September 2012 after a moratorium of 24 months
Rupee term loan	346,663,000	First pari-passu charge by way of mortgage on plot no 66 B Udhyog Vihar, Greater Noida comprising of 21000 sq mtr of land together with building and structures constructed/to be constructed with fixed plant and machinery	Loan repayable in- 23 equal installments of Rs 26,667,000 1 installment of 26,659,000 (Effective from April 2009)
Rupee term loan	59,139,900	First pari-passu charge by way of mortgage on plot no 66 B Udhyog Vihar, Greater Noida comprising of 21000 sq mtr of land together with building and structures constructed/to be constructed with fixed plant and machinery	Loan repayable in- 23 equal installments of Rs 4,930,000 1 installment of 26,659,000 (Effective from April 2009)
Rupee term loan	1,489,014,967	First charge by way of hypothecation of entire movable fixed/block of assets of the borrower including plant and machinery, fittings and fixtures as installed therein. Import bills accompanied by bills of lading and other shipping documents	Loan repayable in 20 equal installments effective from September 2013 after a moratorium of 24 months
Rupee term loan	407,618,651	First pari-passu charge on fixed assets of the Company and second pari-passu charge by way of hypothecation on current assets of Moser Baer Solar Limited (a subsidiary of the company)	Loan repayable in 20 equal installments effective from September 2013
Rupee term loan	1,000,000,000	First pari-passu charge by way of hypothecation on all the present and future movable fixed assets of Moser Baer Solar Limited (a subsidiary of the company)	Loan repayable in 20 equal installments effective from December 2012 after a moratorium of 24 months
Rupee term loan	500,000,000	Secured by first pari-passu charge on fixed assets	Loan repayable in June 2013 after a moratorium of 36 months
Rupee term loan	138,461,205	Secured by first pari-passu charge on fixed assets	Loan repayable in 13 quarterly installments effective from September 2009 after a moratorium of 24 months
Rupee term loan	1,166,666,666	Secured by first pari-passu charge on fixed assets	Loan repayable in 12 quarterly installments effective from December 2010 after a moratorium of 01 month
Rupee term loan	24,994,870	Secured by first pari-passu charge on fixed assets	Loan repayable in 20 quarterly installments effective from September 2007 after a moratorium of 12 months
Rupee term loan	875,000,000	Secured by first pari-passu charge on fixed assets	Loan repayable in 08 quarterly installments effective from November 2011 after a moratorium of 12 months
Rupee term loan	375,000,000	Secured by first pari-passu charge on fixed assets	Loan repayable in 04 quarterly installments effective from December 2011 after a moratorium of 24 months
Rupee term loan	125,000,000	Secured by first pari-passu charge on fixed assets	Loan repayable in 04 quarterly installments effective from June 2011
Rupee term loan	750,000,000	Secured by first pari-passu charge on fixed assets	Loan repayable in 04 quarterly installments effective from November 2011 after a moratorium of 24 months

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(All amounts in rupees, unless otherwise stated)

	As at March 31, 2012	Nature of security	Terms of repayment (refer note below (iv))
Rupee term loan	1,250,000,000	Secured by first pari-passu charge on fixed assets	Loan repayable in 2 quarterly installments effective from February 2013 after a moratorium of 24 months
Rupee term loan	375,000,000	Secured by first pari-passu charge on fixed assets	Loan repayable in 18 quarterly installments effective from December 2010
Rupee term loan	18,750,000	Secured by first pari-passu charge on fixed assets	Loan repayable in 16 quarterly installments effective from May 2008 after moratorium of 12 months
Rupee term loan	500,000,000	Secured by first pari-passu charge on fixed assets	Loan repayable in 1 installment effective from March 2012 after moratorium of 24 months
Rupee term loan	125,000,000	Secured by first pari-passu charge on fixed assets	Loan repayable in 08 quarterly installments effective from August 2010 after moratorium of 36 months
Rupee term loan	-	Secured by first pari-passu charge on fixed assets	Loan repayable in 20 quarterly installments effective from December 2006.
Rupee term loan	273,474,188	Secured by first pari-passu charge on fixed assets	Loan repayable in 10 quarterly installments effective from March 2010 after moratorium of 06 months
Rupee term loan	1,000,000,000	Secured by first pari-passu charge on fixed assets	Loan repayable in 02 installments in October 2012 and October 2014 respectively
Rupee term loan	999,900,000	Secured by first pari-passu charge on fixed assets	Loan repayable in 12 quarterly installments effective from December 2012 after moratorium of 24 months

Total **13,594,026,550**

Less:-Current portion
of long term debts
(refer note 14) 5,667,523,551

Net long term
borrowings 7,926,502,999

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(All amounts in rupees, unless otherwise stated)

9 Long term borrowings (continued)

Additional disclosures:

Foreign currency term loans	As at March 31, 2013	As at March 31, 2012	Nature of security	Terms of repayment
From Bank				
Foreign currency term loans	364,307,831	341,454,860	First pari-passu charge by way of mortgage on the immovable properties of Moser Baer Solar Limited (a subsidiary of the company) comprising of 21000 sq mtr of land together with building and structures constructed/to be constructed with fixed plant and machinery	Repayable in 24 equal installments of \$516,592 each
Foreign currency term loans	4,183,226	3,927,033		Repayable in 24 equal quarterly installments of \$5,931 each
Foreign currency term loans	135,737,065	137,826,710		Repayable in 24 equal quarterly installments of \$208,333 each
Foreign currency term loans	372,949,145	399,497,601		Repayable in 20 equal installments of \$490,639 each
From Others				
Foreign currency term loans	950,162,500	890,575,000	First pari-passu charge by way of mortgage on the immoveable properties of Moser Baer Photovoltaic Limited (a subsidiary of the company) comprising of 19736 sq mtr of land at plot 66B together with all buildings and structures thereon & all plant and machinery attached to the earth or permanently fastened by anything attached to the earth, both present and future	\$1 million each on May 15, 2010, November 15 2010, May 15, 2011, \$2million on November 15, 2011, \$2.5 million on May 15, 2012, \$3 million on November 15, 2012, \$4 million on May 15, 2013, November 15, 2013 and May 15, 2014
Foreign currency term loans	131,458,955	123,214,775	First pari-passu charge over Moser Baer Photovoltaic Limited's (a subsidiary of the company) entire moveable fixed assets, both present and future	Repayable in 24 equal installments of \$142,423 each
Foreign currency term loans	599,169,938	561,594,219		Repayable in 20 equal installments of \$551,773 each
Foreign currency term loans	-	97,827,767		Repayable in 16 quarterly installments effective from September 2008 after a moratorium of 24 months
Total	2,557,968,660	2,555,917,965		
Less:-Current portion of long term debts (refer note 14)	1,484,671,026	752,851,743		
Net long term borrowings	<u>1,073,297,634</u>	<u>1,803,066,222</u>		

(ii) Interest rate on long term borrowings varies from 10.25% to 15.25% p.a. (previous year 5.5% to 16.50% p.a.)

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(All amounts in rupees, unless otherwise stated)

- (iii) Details of default in repayment of loan and interest of Moser Baer India Limited and its subsidiaries namely - Moser Baer Photovoltaic Limited and Moser Baer Solar Limited are summarised below:

The details of continuing defaults of principal and interest in each case as on March 31, 2013 are as follows:

Particulars	Amount	Period of default in days
Banks -		
February 20, 2012	18,750,000	405
February 28, 2012	260,750	397
March 31, 2012	195,078	365
April 30, 2012	188,785	335
May 31, 2012	195,078	304
June 30, 2012	188,785	274
July 31, 2012	195,078	243
August 31, 2012	195,078	212
September 30, 2012	188,785	182
October 31, 2012	195,078	151
November 30, 2012	188,785	121
December 31, 2012	195,078	90
January 31, 2013	195,078	59
February 28, 2013	176,199	31
January 29, 2012	26,667,000	427
January 31, 2012	2,071,286	425
February 29, 2012	6,553,558	396
March 31, 2012	35,402,834	365
April 29, 2012	42,908,495	336
April 30, 2012	6,813,638	335
May 31, 2012	7,304,245	304
June 30, 2012	35,498,433	274
July 14, 2012	32,449,318	260
July 29, 2012	42,908,495	245
July 31, 2012	7,390,344	243
August 31, 2012	7,504,616	212
September 30, 2012	35,320,737	182
October 14, 2012	32,043,436	168
October 29, 2012	42,908,495	153
October 31, 2012	7,923,730	151
November 30, 2012	7,541,388	121
December 27, 2012	74,450,748	94
December 31, 2012	122,347,095	90
January 14, 2013	31,695,337	76
January 29, 2013	42,908,495	61
January 31, 2013	45,952,443	59
February 28, 2013	41,599,385	31
March 27, 2013	74,450,748	4

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO
THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Particulars	Amount	Period of default in days
Financial Institutions -		
January 12, 2012	25,899,546	444
January 20, 2012	2,959,202	436
February 20, 2012	4,404,052	405
March 20, 2012	8,935,913	376
March 28, 2012	1,697,374	368
April 12, 2012	25,899,546	353
April 20, 2012	4,581,567	345
May 20, 2012	4,261,986	315
May 15, 2012	148,005,555	320
June 20, 2012	12,054,804	284
June 28, 2012	1,944,418	276
July 12, 2012	25,899,546	262
July 20, 2012	4,213,758	254
August 20, 2012	4,325,363	223
September 20, 2012	12,078,782	192
September 28, 2012	1,988,083	184
October 12, 2012	25,899,546	170
October 20, 2012	4,185,836	162
November 15, 2012	177,212,173	136
November 20, 2012	4,325,363	131
December 16, 2012	5,300,000	105
December 20, 2012	12,112,469	101
December 28, 2012	1,880,581	93
January 12, 2013	25,899,546	78
January 20, 2013	4,342,286	70
February 20, 2013	4,890,524	39
March 16, 2013	5,300,000	15
March 20, 2013	41,638,108	11
March 28, 2013	1,806,471	3

(iv) Corporate debt restructuring scheme

- (a) The Corporate debt restructuring (CDR) proposals to re-structure existing debt obligations, including interest, additional fundings and other terms (hereafter referred to as "the CDR Scheme") of the Parent Company and one of its subsidiary Moser Baer Photovoltaic Limited ("MBPV"), having November 30, 2011 and October 01, 2011 respectively as the cut-off date, were been approved by the CDR Cell vide its Letter of Approval (LOA) dated September 20, 2012 and September 27, 2012 respectively.

Subsequently on execution of the Master Restructuring Agreement (MRA)/ other definitive documents (except for one bank in case of parent) and MBPV dated December 27, 2012 and March 18, 2013 respectively and also the fulfillment of necessary conditions precedent, the Group accounted for CDR scheme (reclassifications and interest calculations) in the consolidated financial statements for the year ended March 31, 2013 (except for owings to one lender bank in case of Parent) 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. 5,266,597,476 have been reclassified as Working Capital Long Term Loan (WCTL) including current maturities of Rs. 167,988,000 as at March 31, 2013.
- The existing term loan of Rs.12,282,037,577 has been classified as long term borrowing including current maturities of Rs. 1,326,604,428.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

- The interest due w.e.f. December 01, 2011 till March 31, 2013 at revised rates amounting to Rs. 2,284,184,991 has been converted into Funded Interest Term Loan (FITL) including current maturities amounting to Rs. 820,140,488.

From the respective "cut-off date" of the Parent and MBPV, 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. 233,193,729 pertaining to period from cut-off dates to March 31, 2013 has been shown as exceptional item during the year.

- (b) Further Moser Baer Solar Limited (MBSL) another subsidiary has also executed the MRA/ other definitive documents with all lender banks (except for one bank) on March 28, 2013. Since MBSL is in the process of complying with the conditions precedent to the implementation of the CDR Schemes, effect of the CDR Scheme of MBSL has not been given in the consolidated financial statements of the Group as of March 31, 2013.

10 Other long-term liabilities

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred government grant	35,000,000	35,000,000
Security deposits	595,250	13,080,017
Retention money	2,210,731	2,210,731
Lease equalisation reserve	37,647,449	28,362,599
VAT and CST payable	780,191	780,191
	76,233,621	79,433,538

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. The Company during the previous year, has 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 'Deferred government grant' which shall be adjusted against the cost of the specific fixed assets

11 Long term provisions

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits		
-Gratuity (refer note 46)	172,589,480	125,837,332
-Unavailed leaves (refer note 46)	94,427,191	98,850,798
-Key resource bonus and deferred salary	16,691,727	15,903,788
Provision for pension for overseas subsidiary (refer note 46)	30,656,250	-
Others		
-Provision for warranty (refer note below)	214,846,533	202,349,429
	529,211,181	442,941,347

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Note :-

The movement in provision for warranty from beginning to end of the reporting year is as follows:

Particulars	For the year ended March 31,2013	For the year ended March 31,2012
Balance as at the beginning of the year	202,349,429	165,607,373
Add:-Accruals during the year	12,497,104	36,742,056
Less:-Utilised/written back during the year	-	-
Balance as at the end of the year	<u>214,846,533</u>	<u>202,349,429</u>

Note: 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 March 31, 2013	As at March 31, 2012
<u>Secured</u>		
(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	11,943,827	250,000,000
-Secured by lien on fixed deposits from banks	46,005,052	326,430,201
(b) Working capital and cash credit facilities		
-Working capital facilities	3,951,840,022	8,735,031,018
-Cash credit	5,431,717,420	6,990,067,135
	<u>9,441,506,321</u>	<u>16,301,528,354</u>

Note:-

Short term borrowings outstanding as at March 31, 2013 to the extent of Rs. 6,670,347,005 are further secured by as per below :

- (i) Pledge of 100% shareholding of the promoters of the Company
- (ii) Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri
- (iii) Negative lien on land of Moser Baer Infrastructure and Developers Limited (a subsidiary of the Company) at Chennai on pari passu basis
- (iv) Corporate Gurantee of Moser Baer Infrastructure and Developers Limited (company that owns the Chennai land)
- (v) Pledge of shares of Moser Baer Infrastructure and Developers Limited (a subsidiary of the Company)

13 Trade payables

Particulars	As at March 31, 2013	As at March 31, 2012
Acceptances	1,002,591,556	1,024,238,198
Trade creditor		
- Total outstanding dues of micro, small and medium enterprises	70,811,218	25,844,104
- Total outstanding dues of creditors other than micro, small and medium enterprises	1,730,592,740	2,484,174,378
	<u>2,803,995,514</u>	<u>3,534,256,680</u>

MOSER BAER INDIA LIMITED

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(All amounts in rupees, unless otherwise stated)

14 Other current liabilities

Particulars	As at March 31, 2013	As at March 31, 2012
Current maturities-		
- long-term debt (refer note 9)	4,254,892,542	6,420,375,294
-Foreign currency convertible bonds (refer note 48 (a))		
-6.1% p.a. semi-annual zero coupon tranche A convertible bonds	2,882,577,500	2,310,098,527
-6.75% p.a. semi-annual zero coupon tranche B convertible bonds	1,922,530,000	2,193,666,473
-Premium on redemption of foreign currency convertible bonds	1,784,830,756	-
Interest accrued but not due on borrowings	82,094,581	79,228,661
Interest accrued and due on borrowings	696,126,962	538,157,410
Income received in advance	65,829,165	123,719,985
Unpaid dividend	3,302,623	3,679,631
Amount received from banks under CDR scheme (refer note 9(iv))	1,232,403,180	-
Others:		
-Capital creditors	185,780,746	273,351,628
-Employee dues	233,540,168	277,852,393
-Security deposits	15,272,951	4,615,951
-Statutory dues	122,445,046	166,084,617
-Retention money	52,172,480	49,871,417
-Deferred payment liabilities	152,896,800	152,896,800
- Book overdraft	84,934,367	148,320
-Others payables	42,967,348	34,030,401
	<u>13,814,597,215</u>	<u>12,627,777,508</u>

15 Short term provisions

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits		
-Gratuity	3,916,920	15,084,878
-Unavailed leaves	12,913,085	21,890,225
-Key resource bonus and deferred salary (refer note (i) below)	19,827,329	45,928,788
Others		
Provision for taxation	1,883,281	23,871,290
Provision for warranty(refer note (ii) below)	7,296,256	5,847,476
Provision for other probable obligations(refer note (iii) below)	412,503,835	377,054,006
Provision for redemption of foreign currency convertible bonds (refer note 48(b))	614,887,903	1,793,150,173
Total	<u>1,073,228,609</u>	<u>2,282,826,836</u>

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

The following is the movement in provisions from beginning to the end of the reporting year:-

(i) Provision for key resource bonus and deferred salary

Particulars	As at March 31, 2013	As at March 31, 2012
Balance as at the beginning of the year	61,832,576	105,434,537
Add: Accruals for the year	26,998,821	47,090,486
Less: Provisions utilised/written back during the year	52,312,341	90,692,447
Balance as at the end of the year	36,519,056	61,832,576
Disclosed under long term provisions(refer note 11)	16,691,727	15,903,788
Disclosed under short term provisions(refer note 15)	19,827,329	45,928,788
	<u>36,519,056</u>	<u>61,832,576</u>

(ii) Warranty

Particulars	As at March 31, 2013	As at March 31, 2012
Balance as at the beginning of the year	5,847,476	15,146,522
Add: Accruals for the year	1,448,780	9,629,917
Less: Provisions utilised/written back during the year	-	(18,928,963)
Balance as at the end of the year	7,296,256	5,847,476

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	As at March 31, 2013	As at March 31, 2012
Balance as at the beginning of the year	377,054,006	341,604,177
Add: Accruals for the year	35,449,829	35,449,829
Less: Provisions utilised/written back during the year	-	-
Balance as at the end of the year	412,503,835	377,054,006

Other probable obligations provisions relate to the estimated outflow in respect of possible liabilities expected to arise in future. 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.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

16 Fixed assets

Particulars	Gross block				Accumulated depreciation and amortisation				Accumulated impairment			Net Block		
	Balance as at April 1, 2012	Additions	Deletions	Balance as at March 31, 2013	Balance as at April 1, 2012	Charge for the year	Adjustment upon Deletions	Balance as at March 31, 2013	Balance as at April 1, 2012	Charge for the year	Reversal during the year	Balance as at March 31, 2013	As on March 31, 2013	As on March 31, 2012
Tangible assets														
Leasehold land	581,797,958	-	-	581,797,958	386,72,257	6,125,147	-	44,797,404	-	-	-	537,000,554	543,125,701	
Building	4,792,757,152	37,266,742	3,886,663	4,826,137,231	1,102,409,463	161,507,010	3,607,924	1,260,308,549	-	-	-	3,565,828,682	3,690,347,689	
Leasehold improvements	50,044,373	-	1,035,800	49,008,573	33,968,216	1,755,692	506,565	36,217,343	-	-	-	13,791,230	16,076,157	
Plant and equipments	55,336,431,780	261,230,834	47,311,066	55,560,351,348	34,513,739,711	3,579,765,068	36,543,457	38,057,949,312	9,672,380	-	-	17,482,729,666	20,813,019,689	
Furniture and fixtures	202,624,175	813,413	952,761	202,484,827	96,131,062	10,959,574	541,756	106,548,880	261,345	-	-	96,674,602	106,231,768	
Office equipments	126,254,001	250,011	719,323	125,794,689	47,751,629	5,866,848	366,183	52,952,294	810,178	-	-	72,022,217	77,692,194	
Computers	241,141,468	420,848	745,117	240,817,189	184,042,764	19,830,782	570,628	203,402,918	69,387	-	-	37,344,884	57,029,307	
Vehicles	26,180,801	-	2,091,957	24,088,844	14,522,259	2,115,385	1,073,589	15,564,055	-	-	-	8,524,789	11,668,542	
Sub total	61,357,231,698	299,981,648	56,742,887	61,600,470,659	36,031,237,361	3,787,713,496	42,210,102	39,776,740,755	10,813,290	-	-	21,812,916,614	25,315,181,047	
Previous year	55,950,706,647	5,969,308,475	562,783,424	61,357,231,698	32,332,986,868	4,167,980,017	469,729,524	36,031,237,361	10,813,290	-	-	25,315,181,047	23,606,906,489	
Intangible assets														
Computer software	116,100,805	362,163	4,311,930	112,151,038	75,907,630	15,893,701	2,766,316	88,035,015	44,623,358	-	-	23,116,023	40,193,175	
Copyrights and patents and other intellectual property rights services and operating rights	3,285,048,258	152,894,112	-	3,437,882,370	2,454,395,533	283,226,024	-	2,737,621,557	44,623,358	-	-	655,637,455	786,029,367	
Goodwill on consolidation	743,169,473	-	-	743,169,473	-	-	-	-	-	-	-	743,169,473	743,169,473	
Sub total	4,144,318,536	153,196,275	4,311,930	4,299,202,881	2,530,303,163	299,119,725	2,766,316	2,826,656,572	44,623,358	-	-	1,421,922,951	1,569,392,015	
Previous year	4,047,800,292	98,007,862	1,489,618	4,144,318,536	2,118,753,035	411,560,128	-	2,530,303,163	55,472,240	22,000,000	32,848,862	1,569,392,015	1,873,575,071	

Notes:

- Additions to plant and machinery include exchange loss of Rs. 212,428,750 (previous year exchange loss of Rs. 344,357,101).
- 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.

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(All amounts in rupees, unless otherwise stated)

17 Non-current investments

Particulars	As at March 31, 2013	As at March 31, 2012
Trade investments		
(a) Investment in equity instruments	575,525,316	487,276,011
(b) Investment in preference shares	1,381,978,077	1,470,227,382
Total	1,957,503,393	1,957,503,393
Less:-Provision for diminution in the value of investments	(1,949,428,442)	(1,356,100,446)
	<u>8,074,951</u>	<u>601,402,947</u>

Details of trade investments (valued at cost)

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Investment in unquoted equity instruments		
<i>Investment in associates:</i>		
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 7194 (previous year 7194) 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)
<i>Others:</i>		
Moser Baer Projects Private Limited 510,000 (previous year 510,000) equity shares of Rs 10 each	5,100,000	5,100,000
Lumen Engineering Private Limited 102,000 (previous year 102,000) equity shares of Rs. 10 each	1,020,000	1,020,000
CAPCO Luxemburg S.ar.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 7,736,360) common stock of USD 0.001 each	395,247,847	306,998,542
Less : Provision for diminution in the value of investment	(395,247,847)	(257,214,613)
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)	(40,753,512)
Total (A)	<u>7,446,607</u>	<u>62,475,701</u>

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(All amounts in rupees, unless otherwise stated)

Particulars	As at March 31, 2013	As at March 31, 2012
(b) Investments in unquoted preferred stock		
CAPCO Luxemburg S.ar.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)	-
Solaria Corporation		
Nil (previous year 1,230,769) Shares series B preferred stock of USD 0.001 each	-	37,058,640
Less : Provision for diminution in the value of investment	-	(4,527,623)
Solaria Corporation		
Nil (previous year 703,321) Shares series C preferred stock of USD 0.001 each	-	39,690,996
Less : Provision for diminution in the value of investment	-	(4,948,428)
Solaria Corporation		
Nil (previous year 203,773) shares series C 1 preferred stock of USD 0.001 each	-	11,499,669
Less : Provision for diminution in the value of investment	-	(1,433,715)
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	-
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)	(167,749,386)
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)	(183,115,119)
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)	(236,459,864)
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)	(12,397,178)
Total (B)	628,344	538,927,246
Total (A+B)	8,074,951	601,402,947
Particulars	As at March 31, 2013	As at March 31, 2012
Aggregate amount of unquoted investment	8,074,951	601,402,947
Aggregate amount of provision for diminution in value of investment	(1,949,428,442)	(1,356,100,444)

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(All amounts in rupees, unless otherwise stated)

18 Long-term loans and advances

Particulars	As at March 31, 2013	As at March 31, 2012
Capital advances		
- unsecured considered good	122,420,032	116,102,558
- unsecured considered doubtful	61,396,260	50,607,421
Less: allowance for doubtful advances	(61,396,260)	(50,607,421)
	<u>122,420,032</u>	<u>116,102,558</u>
Advance to suppliers	1,509,764,110	1,509,764,110
Security deposits	103,715,509	85,707,060
Prepaid expenses	1,028,600	3,310,982
Prepaid taxes	176,784,872	280,528,545
Loans to others	70,562,355	69,534,203
Balance with government authorities	145,414,421	134,262,841
Others		
- unsecured considered good	7,412,721	7,363,444
- unsecured considered doubtful	1,399,509	1,399,509
Less: Allowance for doubtful advances	(1,399,509)	(1,399,509)
	<u>7,412,721</u>	<u>7,363,444</u>
	<u><u>2,137,102,620</u></u>	<u><u>2,206,573,743</u></u>

19 Other non-current assets

Particulars	As at March 31, 2013	As at March 31, 2012
Fixed deposits under lien	68,922,155	33,600,171
Lease equalisation account	35,974,260	29,669,220
	<u>104,896,415</u>	<u>63,269,391</u>

20 Inventories

Particulars	As at March 31, 2013	As at March 31, 2012
Raw materials and components	977,260,238	1,275,692,316
Goods-in transit	114,762,444	303,248,319
Work-in-progress	2,112,003,374	2,022,939,792
Finished goods	1,620,669,675	2,028,075,329
Stock-in-trade	186,999,046	229,630,268
Goods-in transit	160,582	17,479,923
Stores and spares	1,068,662,393	1,136,270,808
Goods-in transit	4,333,484	5,231,829
Loose tools	5,747,953	6,125,068
Others		
Packing material	140,074,839	195,386,883
Goods-in transit	26,898,691	8,025,946
Film under production	27,954,978	56,914,882
Rights of films	53,454,246	70,738,536
	<u>6,338,981,943</u>	<u>7,355,759,899</u>

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

21 Trade receivables

Particulars	As at March 31, 2013	As at March 31, 2012
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	13,929,199	-
Unsecured, considered good	1,056,035,473	978,698,221
Unsecured, considered doubtful	375,116,388	298,612,060
Less: Provision for doubtful debts	(375,116,388)	(298,612,060)
	<u>1,069,964,672</u>	<u>978,698,221</u>
Other debts		
Secured, considered good	153,804,439	2,327,912,369
Unsecured, considered good	1,502,155,515	1,173,147,263
Unsecured, considered doubtful	-	18,619,286
Less: Provision for doubtful debts	-	(18,619,286)
	<u>1,655,959,954</u>	<u>3,501,059,632</u>
	<u>2,725,924,626</u>	<u>4,479,757,853</u>

22 Cash and bank balances

Particulars	As at March 31, 2013	As at March 31, 2012
Cheques and drafts on hand	138,741,122	11,955,313
Cash on hand	3,609,006	5,111,032
Money in transit	46,186,520	66,588,051
Bank balances in:-		
-Current accounts	624,327,824	380,163,123
-EEFC accounts	-	2,871,291
Deposits with less than 3 months maturity	87,337,059	17,273,179
	<u>900,201,531</u>	<u>483,961,989</u>
Other bank balances		
Unpaid dividend accounts	3,302,624	3,679,632
Bank deposits with more than 3 months but less than 12 months maturity	401,265,418	327,013,522
Margin money	462,526,010	826,149,178
	<u>867,094,052</u>	<u>1,156,842,332</u>
	<u>1,767,295,583</u>	<u>1,640,804,321</u>

23 Short-term loans and advances

Particulars	As at March 31, 2013	As at March 31, 2012
Loans and advances to related parties		
Unsecured, considered good	6,054,884	6,051,893
Others		
- Advances to suppliers		
-considered good	834,155,481	890,539,396
-considered doubtful	14,829,461	-
Less: Provision for doubtful advances	(14,829,461)	-

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(All amounts in rupees, unless otherwise stated)

- Security deposits	37,229,780	31,563,408
- Prepaid expenses	73,839,380	153,058,604
- Balance with government authorities	339,189,584	267,314,100
- Advances to employees	16,453,819	12,014,087
- Amount due from directors*	16,081,627	-
- Prepaid taxes	3,465,083	123,960,415
- Others	98,217,993	70,363,257
Unsecured considered doubtful		
- Other recoverables	78,661,272	43,160,764
Less: Provision for doubtful recoverables	(78,661,272)	(43,160,764)
	<u>1,424,687,631</u>	<u>1,554,865,160</u>

*Amount due from director represents remuneration paid to Managing Director in excess of Schedule XIII of Companies Act, 1956 for the period September 1, 2011 to March 31, 2013 which was paid by the company during the year ended March 31, 2013 and for which an application has been filed with the Central Government which is pending for their approval

24 Other current assets

Particulars	As at March 31, 2013	As at March 31, 2012
Interest accrued on fixed deposits	25,304,276	50,746,993
Interest accrued and due on loan	10,898,397	7,674,965
Pension fund recoverable	-	13,370,390
Recoverable from Bank under CDR scheme (refer note 9(iv))	1,553,757,531	-
Profit on forward contract recoverable	-	14,647,257
Non-current assets classified as held for sale	-	59,097,128
	<u>1,589,960,204</u>	<u>145,536,733</u>

25 Revenue from operations

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
Sale of products (refer note below)		
-Finished goods	16,581,877,197	25,721,322,834
-Traded goods	29,364,358	42,372,704
	<u>16,611,241,555</u>	<u>25,763,695,538</u>
Sale of services-solar installation	206,578,620	374,765,842
Other operating revenues:		
Scrap sales	70,821,176	173,406,893
Old liabilities and provisions no longer required written back	112,565,157	256,824,272
Export benefits- focused product scheme	193,831,566	269,632,094
Others	220,396,856	227,100,832
Revenue from operations	<u>17,415,434,930</u>	<u>27,065,425,471</u>

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Note:		
Detail of Sales	For year ended March 31, 2013	For year ended March 31, 2012
Finished goods		
Optical media products	11,274,018,186	16,508,144,663
Pen drives and cards	817,745,205	929,065,664
Solar cell	18,938,726	100,443,348
Module	1,227,063,091	2,727,002,892
Thin film	427,001	1,325,320,646
Wafer	65,762,631	465,185,376
Compact disc	2,326,954,750	2,737,500,048
Content aggregation & syndication	30,306,840	6,123,039
Electricity	146,832,366	53,298,603
Others	673,828,401	869,238,555
	<u>16,581,877,197</u>	<u>25,721,322,834</u>
Traded Goods		
Information technology and consumer electronic products (IT&CE)	29,364,358	42,372,704
Total	<u>16,611,241,555</u>	<u>25,763,695,538</u>

26 Other income

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
Interest income		
On deposits with banks	88,257,440	220,163,628
On income tax refunds	3,972,340	1,736,582
Other non-operating income		
Gain on foreign currency transactions (net)	432,816,618	-
Profit on cancellation of forward contracts (net)	-	185,981,189
Profit on sale of fixed assets (net)	8,254,713	5,835,434
Prior period income (refer note 40)	92,836,198	49,370,908
Other miscellenous income	43,100,551	-
	<u>669,237,860</u>	<u>463,087,741</u>

27 Cost of material consumed

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
Raw materials consumed (refer note below)	7,129,462,889	10,364,972,229
Packing materials consumed	1,287,029,819	1,709,578,804
	<u>8,416,492,708</u>	<u>12,074,551,033</u>

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Note:

Details of major components of raw materials consumed is as follows:-

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
(i) For storage media products		
Polycarbonate	3,456,071,854	5,143,803,739
Silver	820,448,778	1,009,943,873
Others	1,933,830,856	2,146,138,886
(ii) For cells		
Silicon wafers	5,487,428	231,681,442
Metallic pastes	-	12,398,847
(iii) For modules		
Multi cells	645,911,388	1,299,525,594
Back sheet	73,668,819	104,762,467
Aluminium frames	61,841,555	70,751,836
Glass	58,785,624	30,333,310
Others	73,416,587	61,111,515
(iv) For thin films		
Glass (TCO& backglass)	-	90,518,987
Encapsulant(PVB)	-	24,185,010
Others	-	139,816,723
	<u>7,129,462,889</u>	<u>10,364,972,229</u>

28 Purchase of stock in trade

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
Information technology and consumer electronic products (IT&CE)	14,363,076	36,433,364
Purchase of compact disc recordable	86,031,274	30,732,238
Content aggregation & syndication	-	33,259,233
Wafer	10,929,741	450,777,517
Balance of systems	277,876,654	453,387,659
Modules	603,525	74,615,561
Solar cells	31,580,910	704,676,357
Thin film	-	307,233,440
Others	64,159,902	1,167,940
	<u>485,545,082</u>	<u>2,092,283,309</u>

29 Increase/(decrease) in stock of finished goods, work in progress and traded goods

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
Closing stock:		
Finished goods	1,620,669,675	2,028,075,329
Work in progress	2,112,003,374	2,022,939,792
Traded goods (including rights of films)	240,613,875	317,848,727
	<u>3,973,286,923</u>	<u>4,368,863,848</u>
Less: Opening Stock:		
Finished goods	2,028,075,329	3,703,480,696
Work in progress	2,022,939,792	2,683,634,437
Traded goods (including rights of films)	317,848,727	408,777,489
	<u>4,368,863,848</u>	<u>6,795,892,622</u>
Excise duty on finished goods	3,834,473	2,796,323
	<u>(391,742,452)</u>	<u>(2,424,232,451)</u>

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

30 Employee benefits expense

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
Salaries, wages and bonus	2,148,406,426	2,223,489,873
Contributions to : -		
-Provident fund and employees state insurance	112,716,851	139,567,013
-Gratuity fund	53,149,695	55,322,098
-Pension scheme in overseas subsidiaries	70,763,450	21,470,911
Social security and other benefit plans for overseas employees	7,394,742	6,494,173
Staff welfare	165,136,400	173,840,193
	<u>2,557,567,564</u>	<u>2,620,184,261</u>

31 Finance costs

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
Interest expense	3,945,726,538	3,602,305,819
Other borrowing costs	16,963,644	17,114,723
	<u>3,962,690,182</u>	<u>3,619,420,542</u>

32 Depreciation, amortisation and impairment

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
Depreciation on fixed assets	3,787,713,498	4,167,980,017
Amortisation on intangible assets	299,119,725	411,550,128
Less:-Reversal of impairment on intangible assets	-	32,848,882
Impairment of fixed assets	-	22,000,000
	<u>4,086,833,223</u>	<u>4,568,681,263</u>

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

33 Other expenses

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
Consumption of stores and spare parts	492,622,368	537,071,463
Power and fuel	1,932,272,099	2,039,483,394
Freight and forwarding	319,726,470	503,451,336
Royalty	789,232,289	775,923,556
Commission on sales	17,350,296	9,876,379
Rent	181,869,844	171,494,968
Repair and maintenance		
-Buildings	1,117,458	991,800
-Machinery	45,981,983	170,790,429
-Others	34,919,245	44,909,312
Insurance	143,496,330	214,226,881
Director's sitting fees	3,107,307	3,714,829
Rates and taxes	12,387,843	24,025,948
Provision for doubtful debts	55,744,398	-
Travelling and conveyance	140,315,708	180,362,789
Legal and professional	319,433,449	344,389,516
Warranty expenses	56,551,914	50,993,361
Provision for doubtful advances	63,104,015	25,000,000
Provision for other probable obligations	-	48,642,050
Exchange fluctuation (net)	-	542,202,826
Loss on cancellation of forward contracts (net)	324,065,838	-
Bad debts	2,866,279	15,987,994
Advances written off	60,130	81,668
Research and development expenses	43,766,147	43,865,534
Stock written off	-	54,512,592
Advertisement and business promotion	74,094,054	95,185,696
Outsourced staff cost	234,770,524	320,450,685
Provision for films under production	10,045,546	-
Provision for slow moving stock	-	5,514,544
Others	595,717,281	644,742,677
	<u>5,894,618,815</u>	<u>6,867,892,227</u>

34 Exceptional items

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
Refund of interest of prior period under CDR	233,193,729	-
Diminution in value of investments	(593,327,997)	(12,397,182)
Total exceptional items	<u>(360,134,268)</u>	<u>(12,397,182)</u>

Provision for diminution of Rs. 593,327,997 (previous year Rs.12,397,182) 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.

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

35 Subsidiaries and associates:

The CFS 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 :

Name of subsidiary	Country of incorporation	% of ownership
European Optic Media Technology Gmbh	Germany	100%
Moser Baer Photo Voltaic Ltd (MBPV)	India	100%
Moser Baer Solar Limited (MBSL) (formerly PV Technologies India 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 (MBEL)	India	100%
Moser Baer Laboratories Limited (formerly known as Moser Baer Energy 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 (formerly Photovoltaic Holdings Plc)	Isle of Man	100%
Cubic Technologies B.V.	Netherlands	100%
Moser Baer Infrastructure and Developers Limited (MBIDL)	India	100%
MB Solar Holdings Limited (MBSHL) (formerly Moser Baer Solar 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 (formerly Arise Solar Energy Private Limited)	India	100%
Competent Solar Energy Private Limited	India	100%
Pride Solar Systems Private Limited	India	100%

(b) Associates:

The particulars of associates considered in the CFS are as under :

Name of Associate	Country of incorporation	% of ownership
Global Data Media FZ LLC	Dubai, United Arab Emirates	49%
Moser Baer Infrastructure Ltd	India	26%
Solarvalue Proizvodnja d.d. (under liquidation)	Slovenia	40%

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(All amounts in rupees, unless otherwise stated)

(c) The following subsidiary companies have not been consolidated in preparation of these consolidated financial statements as the holding company neither controls nor exercises significant influence over these companies

- Moser Baer Projects Private Limited
- Lumen Engineering Private Limited

(d) Particulars of investment in associates:

Particulars	Moser Baer Infrastructure Limited		Global Data Media FZ LLC	
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
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 year/ at the date of transaction	-	-	-	-
Investment made during the year	-	-	-	-
Add: Share of post acquisition (loss)/profits (Net)	-	-	-	-
Less: Value of investments impaired	-	-	-	-
Carrying value at the end of the 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 nil (previous year 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) Corporate guarantees given by the Company on behalf of the subsidiary companies: Rs.24,678,450,000 (previous year Rs.21,253,587,500) Against these guarantees loans aggregating Rs. 15,573,866,190 (previous year Rs.18,083,789,271) have been availed by the subsidiary companies.

Guarantees given by subsidiary companies on behalf of the company represents Rs. 12,343,836 as personal surety given by Moser Baer Entertainment Limited (a subsidiary of the Company) and Rs. 62,743,734 as surety given jointly by Moser Baer Entertainment Limited and Moser Baer Solar Limited (both subsidiaries of the Company) on behalf of the Company to UP government in lieu of penalty imposed u/s 54 (1) (2) of UP VAT Act 2008 for short payment of tax for assessment year (AY) 2007-08 and AY 2008-09.

(b) Particulars	As at March 31, 2013	As at March 31, 2012
Bank guarantees issued:	168,217,893	278,477,458

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.

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(All amounts in rupees, unless otherwise stated)

(c) Disputed demands (gross) in respect of:-	As at March 31, 2013	As at March 31, 2012
Entry tax		
[Amount paid under protest Rs 10,354,421 (previous year Rs 1,863,606); paid through bank guarantees Rs.10,919,501 (previous year Rs.10,366,154)]	135,623,048	129,850,951
Service tax		
[Amount paid under protest Rs.2,953,470 (previous year Rs. 2,953,470)]	367,384,719	351,157,722
Sales tax		
[Amount paid under protest Rs.17,010,790 (previous year Rs 10,725,595); paid through bank guarantees Rs.26,382,617 (previous year Rs. 13,645,780)]	127,173,220	121,934,339
Custom duty and Excise duty (including penalties)		
[Amount paid under protest Rs.5,796,635 (previous year Rs.5,103,586)]	527,676,009	486,001,268
Income tax		
[Amount paid under protest -Rs. 34,500,000 (previous year-Rs. 34,500,000)]	108,889,105	108,889,105
	1,266,746,101	1,197,833,385

- (d) Claims against the group not acknowledged as debt -Nil (previous year Rs.78,048)

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.

	As at March 31, 2013	As at March 31, 2012
(e) Letters of Credit opened by banks on behalf of the Group:	356,269,994	289,943,613

37 Commitments:-

- a) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances): Rs.191,306,155 (previous year Rs. 245,606,344).
- 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, MBPV (subsidiary) 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 subsidiary 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 one wafer supplier, an amendment to the contract was finalized in Jan 2011, wherein purchase was agreed to be linked to prevailing market prices with no long term commitment. The subsidiary is in discussions with the supplier to either adjust the advance of Rs 1,509,764,110 (USD 34,614,305) against purchase in future or recover the amount as per the terms of the aforementioned agreement.
 - (ii) In the case of another wafer supplier, the subsidiary had made efforts to re-negotiate the contract and based on legal advice the subsidiary had terminated the contract and successfully encashed one bank guarantee of Euro 5.2 million in year 2010. The subsidiary has now invoked the remaining two bank guarantees aggregating to Euro 10 million which has been challenged by the supplier and the matter is sub-judice in international court in Germany. The supplier in year 2011 raised a claim amounting to Rs. 961,378,964 (EURO 13,829,806) [Previous Year Rs.938,905,529 (EURO 13,829,806)] on the subsidiary which has not been acknowledged by the subsidiary as a debt. Based on legal advice and facts stated above, the subsidiary continues to conclude that no provision is necessary in the financial statements.

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(All amounts in rupees, unless otherwise stated)

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.129,524,345 (previous year Rs.125,008,840). The total rent recovered on sub lease Rs.63,005,040 (previous year-Rs. 63,005,040).
- b) The Company and its subsidiary -Moser Baer Entertainment has taken buildings on operating lease. Future lease payments & receivables for the non cancellable lease are given as under:-

Particulars	As at March 31, 2013	As at March 31, 2012
Total of future minimum lease payments under non cancellable operating lease for a period	69,542,419	141,223,609
a. Not later than one year	64,285,067	74,698,087
b. Later than one year but not later than five years	5,257,352	66,525,522
c. Later than five years	-	-
Total of future minimum sub-lease rental receivable for non cancellable period of three years	65,630,250	65,630,250

39 Expenditure pending allocation

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
Salaries and wages	-	9,629,136
Freight and cartage	-	1,287,892
Miscellaneous expenditure	-	232,754
Hire charges	-	65,000
Total	-	11,214,782

40 Prior period expenses/(income)

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
Excess consumption of previous year reversed	(27,491,550)	-
Sale of product /services	(66,849,472)	-
Other expenses	1,535,070	-
Miscellaneous income	(30,246)	(49,370,907)
Total	(92,836,198)	(49,370,907)

41 Taxation

Provision for taxation has not been made in the absence of assessable taxable profits as per the Income Tax Act, 1961.

The break up of deferred tax asset/liability is as under:

Particulars of timing differences	For year ended March 31, 2012	Movement during the year	For year ended March 31, 2013
Deferred tax liability			
Depreciation	473,212,547	24,341,947	497,554,494
Provision for lease rent equalisation	2,812,183	(766,513)	2,045,670
Foreign currency monetary items translation difference account	31,636,611	(31,636,611)	-
Total	507,661,341	(8,061,177)	499,600,164
Deferred tax assets			
Finance lease	92,563,633	30,118,546	122,682,179
Unabsorbed depreciation	380,648,914	(5,776,600)	374,872,314
Provision for unavailed leaves and gratuity	34,448,794	(32,403,123)	2,045,671
Total	507,661,341	(8,061,177)	499,600,164
Net deferred tax liability /(assets)	-	-	-
Previous year	-	-	-

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Notes:

- 1) The tax impact for the above purpose has been arrived at by applying a tax rate of 33.99% (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 deferred tax liability.

42 Derivative instruments

The Group uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes.

(a) The forward exchange contracts outstanding as at March 31, 2013 are as under :

Currency exchange	As at March 31, 2013		As at March 31, 2012	
	USD/Rs	EUR/USD	USD/Rs	EUR/USD
i) Number of 'buy' contracts	1	-	2	-
ii) Aggregate amount (foreign currency)	2,499,992	-	2,748,361	-
Aggregate amount (Rs.)	142,099,545	-	128,324,361	-
iii) Number of 'sell' contracts	9	-	15	1
iv) Aggregate amount (foreign currency)	10,000,000	-	57,590,401	5,000,000
Aggregate amount (Rs.)	562,040,000	-	2,822,730,783	339,963,975

Currency exchange	As at March 31, 2013	As at March 31, 2012
	EUR/Rs	EUR/Rs
i) Number of 'buy' contracts	-	-
ii) Aggregate amount (foreign currency)	-	-
Aggregate amount (Rs.)	-	-
iii) Number of 'sell' contracts	1	-
iv) Aggregate amount (foreign currency)	2,000,000	-
Aggregate amount (Rs.)	148,390,000	-

(b) The foreign currency exposures not hedged as at year end as at March 31, 2013 are as under:

(i) Receivables

Type of currency	As at March 31, 2013		As at March 31, 2012	
	Foreign currency	Rs. Value	Foreign currency	Rs. Value
USD	78,696,555	4,207,752,412	31,036,358	1,583,135,547
EUR	30,825,312	2,055,263,986	28,319,361	1,852,791,843
GBP	1	117	179	14,616
NOK	4,647	43,225	-	-
JPY	62,030	35,779	37,630	23,285
SGD	165	7,200	498	20,146
CNY	3,636	28,206	-	-

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(All amounts in rupees, unless otherwise stated)

(ii) Payables

Type of currency	As at March 31, 2013		As at March 31, 2012	
	Foreign currency	Rs. Value	Foreign currency	Rs. Value
USD	146,583,457	7,927,760,631	166,737,346	8,497,442,773
EUR	38,176,107	2,427,526,924	38,792,089	2,446,044,522
GBP	22,651	1,809,442	109,896	8,539,136
CHF	198,885	11,458,871	454,313	25,640,688
JPY	72,889,034	41,897,093	117,582,920	72,119,348
SGD	99,498	4,354,023	70,436	2,854,047
CNY	36,859	278,687	72,969	558,571

43 Related party transactions:

As required by Accounting Standard 18 - 'Related Party Disclosures' notified under the Companies Act, 1956 since the CFS 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) Name of the related party

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 (MBECL).
- Moser Baer Projects Private Limited (MBPPL)
- Sapphire Industrial Infrastructure Private Limited
- Moser Baer Energy and Development Limited

Key management personnel

Chairman and Managing Director	Mr. Deepak Puri
Whole Time Director	Mrs. Nita Puri
Executive Director	Mr. Ratul Puri*

(*ceased from Executive Directorship w.e.f. April 30, 2012 and as Director w.e.f. November 16, 2012)

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(All amounts in rupees, unless otherwise stated)

(b) Details of transactions with the related parties in the ordinary course of business:

(figures in brackets represent previous year figures)

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 Trust	-	-	-	-	
	(-)	(-)	(43,017)	(-)	
-Moser Baer Engineering and Construction Limited	-	-	-	141,573,600	141,573,600
	(-)	(-)	(-)	(1,662,469,700)	(1,662,512,717)
Purchase of trading goods from related party					
-Moser Baer Energy and Development Limited	-	-	-	-	
	(-)	(-)	(-)	(39,477,368)	
-Moser Baer Engineering and Construction Limited	-	-	-	4,713,420	
	(-)	(-)	(-)	(-)	
-Sapphire Industrial Infrastructure Private Limited	-	-	-	2,727,961	7,441,381
	(-)	(-)	(-)	(-)	(39,477,368)
Service rendered to related party					
-Moser Baer Engineering and Construction Limited	-	-	-	66,268,515	66,268,515
	(-)	(-)	(-)	(54,722,588)	(54,722,588)
Expenses incurred/payment made by related party on behalf of the group entity					
-Moser Baer Engineering and Construction Limited	-	-	-	(-)	(-)
	(-)	(-)	(-)	(2,000,000)	(2,000,000)
Expenses incurred/payment made by the company on behalf of related party					
-Moser Baer Projects Private Limited	-	-	-	-	
	(-)	(-)	(-)	(46,640)	
-Moser Baer Engineering and Construction Limited	-	-	-	3,21,307	3,21,307
	(-)	(-)	(-)	(4,812,083)	(4,858,723)
Payment received from related party					
-Moser Baer Trust	-	-	-	-	
	(-)	(-)	(878,932)	(-)	(878,932)
Reimbursement/recovery of expenses/services					
-Global Data Media FZ LLC	-	-	-	-	
	(-)	(-)	(-)	(-)	
-Sapphire Industrial Infrastructure Limited	-	-	-	-	
	(-)	(-)	(-)	(2,375,000)	
-Moser Baer Projects Private Limited	-	-	-	-	
	(-)	(-)	(-)	(46,640)	
-Moser Baer Engineering and Construction Limited	-	-	-	53,661,854	53,661,854
	(-)	(-)	(-)	(53,545,638)	(55,967,278)

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(All amounts in rupees, unless otherwise stated)

Particulars	Associates	Key Management Personnel	Moser Baer Trust	Enterprises over which Key Management Personnel exercise significant influence	Total
Reversal of provision of doubtful debts					
-Global Data Media FZ LLC	-	-	-	-	-
	(54,952,459)	(-)	(-)	(-)	(54,952,459)
Lease rent charged to related party					
-Moser Baer Engineering and Construction Limited	-	-	-	6,305,040	6,305,040
	(-)	(-)	(-)	(8,667,540)	(8,667,540)
Advance rent received					
-Moser Baer Engineering and Construction Limited	-	-	-	-	-
	(-)	(-)	(-)	(5,211,675)	(5,211,675)
Issue of Preference shares by subsidiary					
Deepak Puri	-	-	-	10,000,000	10,000,000
	(-)	(-)	(-)	(-)	(-)
Directors remuneration	-	9,050,000	-	-	9,050,000
	(-)	(22,353,710)	(-)	(-)	(22,353,710)
Outstanding receivables					
In respect of sales of goods or services rendered					
-Global Data Media FZ LLC	237,588,923	-	-	-	
	(223,227,763)	(-)	(-)	(-)	
-Moser Baer Projects Private Limited	-	-	-	-	
	(-)	(-)	(-)	(8,550)	
-Moser Baer Clean Energy Limited	-	-	-	67,275	
	(-)	(-)	(-)	(63,061)	
-Moser Baer Engineering and Construction Limited	-	-	-	944,340,709	1,181,996,907
	(-)	(-)	(-)	(802,605,489)	(1,025,904,863)
In respect of Loans & Advances					
-Moser Baer Engineering and Construction Limited				35,974,260	35,974,260
				(-)	(-)
In respect of managerial remuneration					
Deepak Puri	-	16,081,627	-	-	16,081,627
	(-)	(-)	(-)	(-)	(-)
Outstanding payables					
In respect of purchase of goods					
-Sapphire Industrial Infrastructure Private Limited	-	-	-	4,397,434	
	(-)	(-)	(-)	(1,669,473)	
-Moser Baer Energy & Development Limited	-	-	-	39,477,368	43,874,802
	(-)	(-)	(-)	(39,477,368)	(41,146,841)

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Particulars	Associates	Key Management Personnel	Moser Baer Trust	Enterprises over which Key Management Personnel exercise significant influence	Total
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					
Deepak Puri	-	-	-	-	
	(-)	(2,311,507)	(-)	(-)	
Ratul Puri	-	(1,147,902)	-	-	
	(-)	(2,654,774)	(-)	(-)	
Nita Puri	-	450,432	-	-	(697,470)
	(-)	(450,432)	(-)	(-)	(5,416,713)

44 (Loss) per share

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
(a) Weighted average number of equity shares for basic and diluted earning per share	168,306,104	168,306,104
(b) Net (loss) after tax available for equity shareholders	(9,162,320,008)	(7,686,632,763)
(Loss) per share (face value per share Rs. 10 each)		
Basic	(54.44)	(45.67)
Diluted	(54.44)	(45.67)

(c) The impact on the loss of the Group for the year ended March 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	For year ended March 31, 2013	For year ended March 31, 2012
(Loss) after tax as per statement of profit and loss (a)	(9,162,320,008)	(7,686,632,763)
Less: Employee stock compensation expenses as per fair value method*	11,581,915	(4,767,199)
(Loss) after tax recomputed for recognition of employee stock compensation expenses under fair value method (b)	(9,173,901,923)	(7,681,865,564)
(Loss) per share based on earnings as per (a) above		
Basic	(54.44)	(45.67)
Diluted	(54.44)	(45.67)
(Loss) per share based on earnings as per (b) above		
Basic	(54.51)	(45.64)
Diluted	(54.51)	(45.64)

*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 year.

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

45 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 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	1,216,061,920	-	16,858,397,520
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	2,258,069,677	(3,521,377,163)	16,858,397,520
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 and 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					-
Net (loss) for the year					(9,162,320,008)

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Other information :					
Segment assets	20,717,893,652	20,086,774,807	9,991,054,991	(14,234,233,901)	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	969,497,105	(5,314,455,307)	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

Financial information about business segments for the year ended March 31, 2012 is as follows:

Particulars	Storage media products	Solar products	Other operations	Inter segment eliminations	Total
Revenue:					
External	18,540,390,498	6,647,316,245	1,305,406,597	-	26,493,113,340
Inter-segment	3,129,266,553	86,936,708	1,473,944,744	(4,690,148,005)	-
Total revenue	21,669,657,051	6,734,252,953	2,779,351,341	(4,690,148,005)	26,493,113,340
Result:					
Segment results	(561,042,986)	(2,060,953,365)	(1,118,613,890)	-	(3,740,610,241)
Interest expense (net of interest income)					3,397,520,332
Unallocated corporate expenses (net of other income)					548,432,166
(Loss) before tax					(7,686,562,739)
Provision for taxation					70,024
(Loss) after tax					(7,686,632,763)
Share in loss of associates					-
Net (loss) for the year					(7,686,632,763)
Other information:					
Segment assets	24,100,200,522	22,006,470,530	12,355,142,769	(15,013,498,218)	43,448,315,603
Unallocated corporate assets					1,897,316,792
Total assets					45,345,632,395
Segment liabilities	4,482,767,735	4,889,881,459	3,652,386,513	(7,392,476,337)	5,632,559,370

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Unallocated corporate liabilities					39,365,774,112
Total liabilities					44,998,333,482
Capital expenditure	680,604,278	5,326,487,946	152,354,130	-	6,159,446,354
Unallocated capital expenditure					-
Total capital expenditure					6,159,446,354
Depreciation, amortisation and impairment	3,312,691,824	821,277,664	153,671,064	(94,681,026)	4,192,959,526
Unallocated depreciation, amortisation and impairment					375,721,737
Total depreciation, amortisation and impairment					4,568,681,263

(b) Information about secondary geographical segments:

Sales revenue by geographical market	For year ended March 31, 2013	For year ended March 31, 2012
India	6,582,120,900	9,959,933,184
Outside India	10,276,276,620	16,533,180,156
Total	<u>16,858,397,520</u>	<u>26,493,113,340</u>

Assets and additions to tangible and intangible fixed assets by geographical area	Addition to fixed assets and intangible assets		Carrying amount of segment assets	
	For year ended March 31, 2013	For year ended March 31, 2012	For year ended March 31, 2013	For year ended March 31, 2012
India	452,866,260	6,156,671,207	37,353,055,277	39,330,730,682
Outside India	311,663	2,775,147	2,264,639,642	6,112,410,145
Total segment assets	<u>453,177,923</u>	<u>6,159,446,354</u>	<u>39,617,694,919</u>	<u>45,443,140,827</u>
Unallocated corporate assets	-	-	-	-
Total	<u>453,177,923</u>	<u>6,159,446,354</u>	<u>39,617,694,919</u>	<u>45,443,140,827</u>

46 Employees' benefits

The Group has classified the various benefits provided to employees as under -

(i) Defined contribution plans

Provident Fund:

During the year, the group has recognised the following amounts in the statement of profit and loss -

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
(i) Employers' contribution to provident fund *	65,190,163	65,616,718
(ii) State Plans		
Employers' Contribution to Employee's State Insurance Act, 1948 *	11,413,088	14,399,130
Employers' Contribution to Employee's Pension Plan, 1995 *	28,015,363	27,746,854

* Included in Contribution to Provident and Other Funds under Employee benefit expenses

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(All amounts in rupees, unless otherwise stated)

(II) Defined benefit plans and other long term employee benefits

- a) Contribution to gratuity - Life Insurance Corporation of India
- b) Unavailed leaves
- c) Pension scheme for overseas subsidiaries

(i) In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions:-

Particulars	Unavailed leaves (Unfunded)		Employee's gratuity fund	
	For year ended March 31, 2013	For year ended March 31, 2012	For year ended March 31, 2013	For year ended March 31, 2012
Discount rate (per annum)	8.00%	8.60%	8.00%	8.60%
Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Rate of return on plan assets	Nil	Nil	9.40%	9.00%
Expected average remaining working lives of employees (years)	7.43	7.63	7.43	7.63

Particulars	Pension Fund	
	For year ended March 31, 2013	For year ended March 31, 2012
Discount rate (per annum)	3.40%	5.10%
Rate of increase in compensation levels	2.50%	2.00%
Rate of return on plan assets	3.40%	5.10%
Expected average remaining working lives of employees (years)	14.00	14.60

(ii) Changes in the present value of defined benefit obligation

Particulars	Unavailed leaves (Unfunded)		Employee's gratuity fund	
	For year ended March 31, 2013	For year ended March 31, 2012	For year ended March 31, 2013	For year ended March 31, 2012
Present value of obligation as at April 1, 2012	100,107,719	96,616,387	265,190,318	229,795,972
Interest cost	9,447,111	9,038,557	22,438,098	37,578,008
Current service cost	18,361,863	21,289,973	29,017,559	32,129,538
Benefits paid/transferred	(16,181,241)	(15,638,544)	(50,514,622)	(19,221,377)
Actuarial (gain)/loss on obligations	(15,995,462)	(11,198,654)	29,902,658	(15,091,823)
Present Value of obligation as at March 31, 2013	95,739,990	100,107,719	296,034,011	265,190,318

Changes in the present value of defined benefit obligation

Particulars	Pension Fund	
	For year ended March 31, 2013	For year ended March 31, 2012
Present value of obligation as at April 1, 2012	261,168,050	204,536,464
Interest cost	13,656,075	31,670,359
Current service cost	15,546,916	13,958,661
Benefits paid	(700,312)	(329,214)
Actuarial (gain)/loss on obligations	69,561,383	11,331,780
Present Value of obligation as at March 31, 2013	359,232,112	261,168,050

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(All amounts in rupees, unless otherwise stated)

(iii) Changes in the fair value of plan assets

Particulars	Employee's gratuity fund		Pension Fund	
	For year ended March 31, 2013	For year ended March 31, 2012	For year ended March 31, 2013	For year ended March 31, 2012
Fair value of plan assets as at April 1, 2012	141,760,881	149,076,982	242,095,739	199,464,265
Expected return on plan assets	11,790,910	13,081,564	13,866,168	11,390,794
Actuarial gains and losses	345,061	(2,178,066)	60,016,697	14,977,523
Contributions	(1,783,402)	1,001,778	26,401,744	20,147,879
Benefits paid	(31,616,095)	(19,221,377)	(700,312)	(329,214)
Additional charge	-	-	(3,991,775)	(3,555,508)
Fair value of plan assets as at March 31, 2013	120,497,355	141,760,881	337,688,261	242,095,739

(iv) Expenses recognised in the statement of profit and loss

Particulars	Unavailed leaves (unfunded)	
	For year ended March 31, 2013	For year ended March 31, 2012
Current service cost	18,361,863	21,289,973
Past service cost	-	-
Interest cost	9,447,111	9,038,557
Expected return on plan assets	-	-
Additional charges	-	-
Net actuarial (gain)/loss recognised	(15,995,462)	(11,198,654)
Effect of curtailments	-	-
Total expenses recognised in the statement of profit and loss	11,813,512**	19,129,876**

Particulars	Gratuity (funded)	
	For year ended March 31, 2013	For year ended March 31, 2012
Current service cost	29,017,559	48,789,912
Past service cost	-	-
Interest cost	22,438,098	20,917,634
Expected return on plan assets	(11,790,910)	(13,081,564)
Additional charges	-	-
Net actuarial (gain)/loss recognised	29,557,596	(12,913,757)
Effect of curtailments	-	-
Total expenses recognised in the statement of profit and loss	69,222,343*	43,712,225*

* Included in contribution to provident and other funds

** Included in personnel expenses

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Particulars	Pension Fund	
	For year ended March 31, 2013	For year ended March 31, 2012
Current service cost	15,546,916	20,086,418
Past service cost	-	-
Interest cost	13,656,074	11,522,480
Expected return on plan assets	(13,866,168)	(11,390,794)
Additional charges	3,991,776	3,555,508
Net actuarial (gain)/loss recognised	51,434,869	16,220,930
Effect of curtailments	-	-
Total expenses recognised in the statement of profit and loss	<u>70,763,467</u>	<u>39,994,542</u>

(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)				
	For year ended March 31,2013	For year ended March 31,2012	For year ended March 31,2011	For year ended March 31,2010	For year ended March 31,2009
Present value of defined benefit obligation	296,034,011	249,105,439	229,795,971	210,299,190	151,371,192
Fair value of plan assets	119,497,355	140,760,881	149,076,982	151,341,465	118,839,945
Surplus or (deficit) in the plan assets	(174,079,049)	(108,344,558)	(80,718,989)	(58,957,725)	(32,531,247)
Experience adjustments on plan liabilities	27,980,085	(16,291,944)	(270,416)	(194,530)	5,037,345

This is the sixth year of adoption of Accounting Standard 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 year ended March 31, 2014 cannot be ascertained.

47 Impairment of assets:

The management of Moser Baer Solar Limited and Moser Baer Photovoltaic Limited (both subsidiaries of the Company) has obtained business valuations as of March 31, 2013 by an independent valuer. The aforementioned valuation has been performed using significant assumptions, including, successful implementation of new technologies, external market conditions, regulatory benefits and conclusion of debt restructuring in the terms as proposed by the subsidiaries. Based on such valuation, management has concluded that no adjustments to the carrying values of underlying fixed assets aggregating to Rs. 12,628,190,680 is required to be made in the consolidated financial statements for the year ended March 31, 2013.

48 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 4,805,107,500) matured for redemption on June 21, 2012, which have since been claimed by the trustee of the bondholders. The Company has applied for relevant regulatory approvals and meanwhile is in discussions with the bondholders through the Trustee, to re-structure 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 trustee on behalf of certain bondholders has also filed a petition under section 434 of the Companies Act, 1956 with Hon'ble High Court of Delhi, which is pending.

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

- (a) The utilisation of the proceeds of USD 150,000,000 zero coupon foreign currency convertible bonds issued up to March 31, 2013 is as under:

Particulars	For year ended March 31, 2013		For year ended March 31, 2012	
	USD	Rs*	USD	Rs*
Funds available at the beginning of the year	147,911	7,525,709	152,924	6,819,641
Bank charges	5,202	284,952	5,013	252,826
Unutilised issue proceeds #	<u>142,709</u>	<u>7,746,966</u>	<u>147,911</u>	<u>7,525,709</u>

Reinstated as at year end rate

* Net of foreign exchange gain of Rs.506,209 for the year ended March 31, 2013 and loss of Rs. 958,895 for the year ended March 31, 2012.

- (b) Movement in provision for premium on redemption of foreign currency convertible bonds :

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
Opening balance	1,793,150,173	1,064,331,621
Add: Provision for the year	606,568,486	728,818,552
Amount utilised during the year	-	-
Less: Current maturities transferred to other current liabilities	1,784,830,756	-
Closing balance	<u>614,887,903</u>	<u>1,793,150,173</u>

Premium payable on redemption of FCCB accrued up to March 31, 2013 calculated on prorata basis Rs. 2,399,718,659 (previous year Rs. 1,793,150,173) has been fully provided for and charged to securities premium account. In the event that the conversion option is exercised by the holders of FCCB in the future, the amount of premium charged to the securities premium account shall be written back to security premium account.

- 49 Pursuant to the notification issued by The Ministry of Corporate Affairs dated May 11, 2011 read with the notification issued on March 31, 2009, 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	For year ended March 31, 2013	For year ended March 31, 2012
Foreign exchange loss amortised to statement of profit and loss	515,366,123	363,121,552
Un-amortised exchange differences gain/(loss)	-	(97,508,432)

- 50 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 Moser Baer Photovoltaic 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.

- 51 Disclosures pursuant to Accounting Standard (AS) 7 "Construction Contracts" :

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
Contract revenue recognised during the year	52,380,865	123,641,909
Aggregate amount of contract costs incurred for all contracts in progress as at year end	57,863,867	126,873,249
Recognised profits (less recognised losses) for all contracts in progress as at the year end	(8,241,563)	(5,271,279)
Amount of advances received for contracts in progress as at year end	-	-
Amount of retentions for contracts in progress as at year end	-	-

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

52 Disclosure relating to dues outstanding to micro, small and medium enterprises as defined in Micro Small and Medium Enterprises Act 2006

Particulars	For year ended March 31, 2013	For year ended March 31, 2012
(a) Amount remaining unpaid to micro, small and medium enterprises at the end of year		
Principal amount	70,811,218	25,844,104
Interest thereon	28,045,600	21,934,252
Total	98,856,818	47,778,356
(b) Amount of payments made to micro, small and medium enterprises beyond the appointed date during the year		
Principal amount	189,785,155	422,741,077
Interest actually paid u/s 16 of the Act.	-	-
Total	189,785,155	422,741,077
(c) Interest due and payable (excluding interest u/s 16 of the Act) to micro, small and medium enterprises for delayed payments		
Interest accrued during the year	-	-
Interest payable during the year	-	-
(d) Interest accrued (including interest u/s 16 of the Act) and remaining unpaid at the end of the year		
Interest accrued during the year.	20,015,235	11,741,440
Interest remaining unpaid during the year	28,045,600	16,352,537

53 Corresponding figures for the previous year have been regrouped / rearranged, wherever necessary to conform to current year classification.

For Walker, Chandio & Co
Chartered Accountants

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

per Ashish Gupta
Partner

Deepak Puri
Chairman and
Managing Director

Nita Puri
Director

Place: New Delhi
Date: May 30, 2013

Minni Katariya
Head Legal and
Company Secretary

Yogesh Mathur
Group CFO

MOSER BAER INDIA LIMITED
FINANCIAL DETAILS OF THE SUBSIDIARY COMPANIES

(All amounts in rupees, unless otherwise stated)											
Name of the Subsidiary Company	Closing exchange rate against Indian Rupees March 31, 2013	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
Moser Baer Photo Voltaic Limited		89,03,330,900	(9,803,775,596)	9,856,856,137	10,757,300,833	-	927,502,541	(1,717,673,566)	-	(1,717,673,566)	-
Moser Baer Solar Limited		9,754,504,040	(5,778,072,146)	21,782,735,433	17,806,303,539	-	2,662,734,052	(2,066,682,461)	-	(2,066,682,461)	-
Moser Baer SEZ Developer Limited		105,000,000	673,374,301	778,430,970	56,669	-	475,303	440,771	146,869	293,902	-
Moser Baer Entertainment Limited		662,700,000	(1,535,222,867)	1,262,619,667	2,135,142,534	-	2,370,596,030	(454,441,823)	-	(454,441,823)	-
Moser Baer Laboratories Limited		500,000	(192,914)	414,025	106,939	-	-	(20,708)	-	(20,708)	-
Solar Research Limited		74,250,000	661,937,697	736,317,654	129,957	-	-	(155,235)	-	(155,235)	-
Moser Baer Investments Limited		645,146,600	(8,998,091)	766,778,301	130,629,792	-	99,353	(408,411)	-	(408,411)	-
Photovoltaic Holdings Limited, Isle of Man		1,141,360,033	(12,904,509)	1,135,845,365	7,389,842	-	2,227,413	286,913	-	286,913	-
MB Solar Holdings Limited		6,676,504,172	(695,532,116)	6,089,371,011	108,398,955	-	21,322	(227,892,946)	-	(227,892,946)	-
Advorfarm Limited, Cyprus		989,562	120,426,668	1,065,228,985	943,812,775	1,382	41,095,240	(3,383,896)	-	(3,383,896)	-
Peraround Limited, Cyprus		171,784,239	8,724,170	1,225,057,469	1,044,549,061	1,320,264	33,957,869	(17,788,312)	-	(17,788,312)	-
Perafly Limited, Cyprus		1,210,256,851	31,648,051	1,261,333,540	19,428,638	-	431,669	(3,129,413)	-	(3,129,413)	-
Nicofly Limited, Cyprus		515,838	125,663,712	128,924,562	2,745,012	-	-	(2,379,224)	-	(2,379,224)	-
Perasoft Limited, Cyprus		623,574	58,595,857	62,125,642	2,906,212	-	-	(2,531,971)	-	(2,531,971)	-
Dalecrest Limited, Cyprus		519,707	151,353,319	154,784,067	2,911,041	-	-	(2,540,376)	-	(2,540,376)	-
Crowinglobe Limited, Cyprus		467,594	328,368,534	332,369,701	3,533,573	-	-	(2,915,830)	-	(2,915,830)	-
Admire Energy Solutions Private Limited		100,000	(238,414)	66,994	205,408	-	-	(70,920)	-	(70,920)	-
Moser Baer Solar Systems Private Limited		255,000	29,260,656	52,675,745	23,160,088	-	35,896,661	(6,276,499)	-	(6,276,499)	-
Competent Solar Energy Private Limited		100,000	(1,086,608)	83,336	1,069,944	-	-	(70,926)	-	(70,926)	-
Pride Solar Systems Private Limited		100,000	(249,937)	30,190	180,127	-	-	(70,920)	-	(70,920)	-
Value Solar Energy Private Limited		100,000	(264,881,744)	165,652,673	430,434,417	-	-	(12,618,537)	-	(12,618,537)	-
Tifton Limited		16,173,750	(18,365,417)	646,141	2,837,808	628,341	-	(629,191)	-	(629,191)	-
OM&T B.V., Netherlands	70.3025	1,002,083	(381,896,903)	383,251,029	764,145,849	-	450,009,060	(55,114,040)	-	(55,114,040)	-
Cubic Technologies B.V., Netherlands	70.3025	1,214,280	37,390,814	411,191,685	372,586,591	-	10,017,242	(20,844,400)	-	(20,844,400)	-
European Optic Media Technology GmbH, Germany	70.3025	111,263,750	(56,546,044)	64,612,876	9,895,170	-	21,333,350	1,515,374	-	1,515,374	-
Omega Optical Media Technologies, Slovakia	70.3025	447,862	(9,029)	452,165	13,342	-	-	15,123	-	15,123	-
Moser Baer Infrastructure and Developers Limited		110,000,000	(98,781,075)	341,189,890	329,970,965	-	2,506,882	(36,635,478)	-	(36,635,478)	-
Moser Baer Technologies, Inc., USA	54.29	327,437,016	(486,396,932)	99,165,085	258,125,001	-	115,409,613	(167,042,801)	-	(167,042,801)	-
Moser Baer Photovoltaic Inc., USA	54.29	2,320,186	(1,078,297)	1,761,707	519,818	-	12,588,160	(7,310,596)	-	(7,310,596)	-
MB Power Projects Ltd.		500,000	(204,566)	469,282	173,848	-	-	(29,571)	-	(29,571)	-
MB Active Power Limited.		500,000	(191,435)	328,719	20,154	-	-	(31,277)	-	(31,277)	-
Moser Baer Industrial Development Limited		506,000	76,552	623,306	40,754	-	21,413	(7,839)	-	(7,839)	-

MOSER BAER INDIA LIMITED
FINANCIAL DETAILS OF THE SUBSIDIARY COMPANIES

(All amounts in rupees, unless otherwise stated)

Name of the Subsidiary Company	Closing exchange rate against Indian Rupees March 31, 2013	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
Sapphire Industrial Infrastructures Private Limited		329,800,000	187,651,004	1,035,720,992	518,269,988	-	127,718,340	1,819,228	(5,865,608)	7,684,836	-
Moser Baer Energy & Research Limited		500,000	(2,444,643)	55,262	1,999,905	-	-	(11,848)	-	(11,848)	-
Moser Baer Energy & Development Limited		70,210,000	637,052,570	2,415,277,770	1,708,015,200	-	369,287,941	20,698,847	10,218,768	10,480,079	-
Moser Baer Energy & Infrastructure Limited		500,000	(1,245,155)	57,345	802,500	-	-	(12,154)	-	(12,154)	-
Moser Baer Energy & Projects Limited		500,000	(556,263)	55,684	111,847	-	-	(11,848)	-	(11,848)	-
Moser Baer Energy Systems Limited		500,000	(230,899)	4,241,255	3,972,154	-	-	(12,154)	-	(12,154)	-
Deligenta Energy and Infrastructures Private Limited		100,000	(254,574)	1,755,743	1,910,317	-	-	(62,293)	-	(62,293)	-
Solitaire Industrial Infrastructure Private Limited		100,000	(1,326,250)	561,115,960	562,342,210	-	41,263	(561,642)	93,113	(684,755)	-
Kindle Engineering and Construction Private Limited		100,000	(36,834,352)	1,439,374,939	1,476,109,291	-	-	(36,416,515)	-	(36,416,515)	-
Solitaire Energies Private Limited		69,850,000	631,713,721	2,381,418,028	1,679,854,307	-	369,076,935	6,391,372	3,819,522	2,571,850	-
Solitaire Powertech Private Limited		100,000	(14,230,590)	37,689,186	51,719,776	-	-	(13,814,443)	-	(13,814,443)	-
Precious Energy Services Private Limited		69,850,000	630,122,990	2,475,575,914	1,775,602,924	-	376,372,913	1,386,229	395,722	990,507	-
Moser Baer Projects & Infrastructures Limited		500,000	(199,225)	474,929	174,154	-	-	(19,813)	-	(19,813)	-
Moser Baer Infrastructures & Power Limited		500,000	(197,952)	326,202	24,154	-	-	(19,813)	-	(19,813)	-
Solitaire BTN Solar Private Limited		100,000	(81,650)	30,199	11,849	-	-	(28,703)	-	(28,703)	-
Vanity Techstructures Private Limited		100,000	(31,814)	185,746	117,560	-	-	(17,549)	-	(17,549)	-
Dazling Infrapower Private Limited		100,000	(56,603)	63,239	19,842	-	-	(20,907)	-	(20,907)	-
Moser Baer Powerstructures Limited		500,000	(3,049,374)	221,486	2,770,860	-	-	(20,118)	-	(20,118)	-
Moser Baer Powergen Limited		500,000	(3,332,926)	223,170	3,056,096	-	-	(21,174)	-	(21,174)	-
Sunnyday Green Energy Pvt Ltd		100,000	(495,743)	1,074,560,890	1,074,956,633	-	98,924,785	(94,282)	-	(94,282)	-
Goldenbeam Power Pvt Ltd		100,000	(568,508)	91,150,741	91,619,249	-	7,619,919	(68,772)	-	(68,772)	-
Suryataap Energies and Infrastructure Private Limited		100,000	(23,236)	805,620	728,856	-	-	(23,236)	-	(23,236)	-
Eden Glen Homes Pvt. Ltd		100,000	(30,984)	93,000	23,984	-	-	(17,524)	-	(17,524)	-
First Class Infrabuild Private Limited		100,000	(38,281)	1,100,000	1,038,281	-	-	(38,281)	-	(38,281)	-
Emerald Hydro EPC Company Private Limited		1,000,000	(2,503,065)	720,321	2,223,386	-	-	(1,434,118)	-	(1,434,118)	-
Bahumanya Engineering and Construction Private Limited		1,000,000	(415,769)	1,722,901	1,138,670	-	-	(323,348)	-	(323,348)	-
Classic Hydro Power Private Limited		100,000	(398,613)	40,238	338,851	-	-	(17,187)	-	(17,187)	-

MOSER BAER INDIA LIMITED
FINANCIAL DETAILS OF THE SUBSIDIARY COMPANIES

(All amounts in rupees, unless otherwise stated)

Name of the Subsidiary Company	Closing exchange rate against Indian Rupees March 31, 2013	Capital	Reserves (including balance in profit and loss account)	Total assets	Total liabilities	Investments (except in case of investment of subsidiary)*	Turnover (including other income)	Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation	Proposed dividend
Sapphire Hydro Power Private Limited		100,000	(122,250)	3,740	25,990	-	-	(16,333)	-	(16,333)	-
Cyclotron Power & Inrapower Private Limited		100,000	(55,471)	57,194	12,665	-	-	(23,786)	-	(23,786)	-
Suntalextar Hydro Project Private Limited		100,000	(34,077)	1,35,000	69,077	-	-	(34,077)	-	(34,077)	-
Moser/Baer Powertech Limited.		500,000	(2,191,416)	22,693	1,714,109	-	-	(22,889)	-	(22,889)	-
Cinch Power and Infrastructure Private Limited		100,000	(81,053)	8,612,782,006	8,612,763,059	-	384,474,853	(45,614)	-	(45,614)	-
MB Power (Madhya Pradesh) Ltd.		2,510,060,000	9,157,011,970	41,181,419,937	29,514,347,967	-	9,699,067	(29,981,280)	3,000,000	(32,981,280)	-
Victor Thermal Power Private Limited		100,000	(367,196)	7,662,713	7,929,909	-	-	(13,673)	-	(13,673)	-
Moser/Baer Constructions Private Limited		100,000	(94,943,887)	866,015,748	960,859,635	-	258,373,312	(29,770,697)	-	(29,770,697)	-
MB Power (Chhatisgarh) Ltd.		500,000	(388,937)	1,404,617,901	1,404,506,838	-	-	(137,638)	-	(137,638)	-
Nagaland Energy Ltd.		500,000	(183,747)	433,147	116,894	-	-	(14,401)	-	(14,401)	-
Moser/Baer Industrial Infrastructure Limited		500,000	(214,574)	512,560	227,154	-	-	(42,452)	-	(42,452)	-
Moser/Baer Power Ventures Limited		500,000	(221,082)	391,984	113,066	-	-	(22,671)	-	(22,671)	-
MB Power (Gujarat) Limited		500,000	(102,487)	413,453	15,910	-	-	(39,079)	-	(39,079)	-
Moser/Baer Power and Infrastructures Limited		77,600,000	4,395,214,717	9,744,185,315	5,271,370,598	-	140,204,897	(271,330,812)	-	(271,330,812)	-
Moser/Baer Electric Power Limited		500,000	(40,483,964)	177,208,167	217,192,131	-	-	(61,691)	-	(61,691)	-
Moser/Baer Clean Energy Limited		195,248,200	5,478,325,669	15,547,067,228	9,873,493,359	6,561,075,190	269,310,232	(219,314,092)	22,660	(219,336,742)	-
Sunrise Hydro Power Private Limited		100,000	(194,433)	10,222,157	10,316,590	-	-	(19,284)	-	(19,284)	-
Omega Power Private Limited		600,000	(173,027)	29,681,405	29,254,432	-	-	(13,365)	-	(13,365)	-
MB Power and Energy Limited.		500,000	(167,961)	346,499	14,460	-	-	(14,706)	-	(14,706)	-
MB Ultra Power Limited.		500,000	(642,521)	1,108,144	1,250,665	-	-	(15,665)	-	(15,665)	-
Moser/Baer Engineering & Construction Ltd.		1,295,000	359,667,681	15,247,712,744	14,886,750,063	-	4,624,461,122	23,036,106	22,724,013	312,093	-
Moser/Baer Services Ltd.		500,000	(803,790)	30,364	334,154	-	-	(23,617)	-	(23,617)	-
Seli Hydro Electric Power Co. Ltd.		500,000	(233,766)	898,095,338	897,829,104	-	342,845	309,710	105,939	203,771	-
Miyar Hydro Electric Power Company Limited		500,000	(553,495)	421,570,492	421,623,987	-	1,22,493	92,751	37,850	54,901	-
Swift Thermal Power Private Limited		100,000	(451,064)	7,212,500	7,563,564	-	-	(114,447)	-	(114,447)	-
Oneway Buildtech Private Ltd.		100,000	(41,371)	100,000	41,371	-	-	(41,371)	-	(41,371)	-
Rakhvi Infracore Private Ltd.		100,000	(33,281)	100,000	33,281	-	-	(33,281)	-	(33,281)	-
Decent Propbuild Private Ltd.		100,000	(41,371)	100,000	41,371	-	-	(41,371)	-	(41,371)	-
Godawari Infraspac Private Limited		100,000	(33,281)	100,000	33,281	-	-	(33,281)	-	(33,281)	-
Magnet Buildtech Private Limited		100,000	(41,371)	100,000	41,371	-	-	(41,371)	-	(41,371)	-
Basilica Power and Infrastructure Private Limited		100,000	(70,831)	9,043,311,426	9,043,282,257	-	384,474,854	(17,873)	-	(17,873)	-

MOSER BAER INDIA LIMITED
FINANCIAL DETAILS OF THE SUBSIDIARY COMPANIES

(All amounts in rupees, unless otherwise stated)												
Name of the Subsidiary Company	Closing exchange rate against Indian Rupees March 31, 2013	Capital	Reserves (including balance in profit and loss account)	Total assets	Total liabilities	Investments (except in case of investment of subsidiary)*	Turnover (including other income)	Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation	Proposed dividend	
Lumen Engineering Private Limited		2,000,000	(26,148,748)	804,175,362	828,324,110	4,900,000	-	(39,905)	-	(39,905)	-	
Moser Baer Projects Private Limited		13,567,483,360	5,964,053,719	19,667,777,296	136,240,217	-	175,708,660	(279,227,329)	502,313	(279,729,642)	-	
Atharv Cleantech Limited	69.54	240,784,559	275,549,826	3,996,433,689	3,480,099,304	-	288,588,550	49,802,176	23,146,342	26,655,835	-	
Moser Baer Clean Energy Europe Limited	69.54	7,093,468	315,289,196	1,561,080,069	1,238,697,406	-	273,811,813	256,457,645	-	256,457,645	-	
West Asia Trading FZE	14.79	1,479,450	3,688,666,305	6,625,204,151	2,995,068,397	-	122,455,216	117,814,255	-	117,814,255	-	
Bharat Cleantech Limited	69.54	74,064,147	65,957,357	1,425,979,902	1,285,968,398	-	-	(5,879,163)	-	(5,879,163)	-	
Enertec Trading FZE	14.79	231,153,706	2,663,897,922	7,533,065,256	4,638,013,628	-	3,309,343,047	1,608,795,872	-	1,608,795,872	-	
Indus Clean Energy GmbH	69.54	1,738,595	(877,390)	974,282	113,077	-	284	(225,910)	75	(225,985)	-	
Prime Energy Entwicklungs.und*	72.26	58,693,952	(18,076,597)	40,816,093	198,737	-	35,618,511	(5,294,743)	-	(5,294,743)	-	
Indus Energy 1 GmbH & Co. KG	69.54	191,702,566	39,535,513	342,670,729	111,432,649	-	226,668,402	89,882,617	268	89,882,349	-	
Indus Energy 2 GmbH & Co. KG	69.54	227,336,432	42,834,984	402,026,210	131,854,794	-	247,569,911	85,456,501	366	85,456,136	-	
Indus Energy 3 GmbH & Co. KG	69.54	184,564,029	52,537,497	355,412,884	118,311,357	-	236,654,620	99,903,747	317	99,903,430	-	
Indus Energy 4 GmbH & Co. KG	69.54	1,219,798	2,485,068	10,710,665	7,005,798	-	35,727	(15,226,278)	114	(15,226,392)	-	
Indus Energy 5 GmbH & Co. KG	69.54	34,772	(1,004,491)	3,082,469	4,052,189	-	-	(658,887)	-	(658,887)	-	
Indus Energy 6 GmbH & Co. KG	69.54	34,772	(28,322,799)	676,394,082	704,672,109	-	227,039,764	(27,880,813)	96,364	(27,977,177)	-	
Indus Energy 8 GmbH & Co. KG	69.54	34,772	(7,568,641)	111,295,616	118,829,485	-	53,625	(7,210,053)	12,966	(7,223,019)	-	
Indus Energy 9 GmbH & Co. KG	69.54	34,772	(7,576,599)	130,061,631	137,603,458	-	267,335	(7,205,120)	31,546	(7,236,666)	-	
Indus Energy 10 GmbH & Co. KG	69.54	34,772	(51,424,060)	33,819,069	85,208,357	-	51,354	(51,064,894)	13,544	(51,078,438)	-	
Indus Energy 11 GmbH & Co. KG	69.54	34,772	(213,285)	153,429	331,942	-	-	(213,234)	51	(213,285)	-	
Indus Energy 12 GmbH & Co. KG	69.54	34,772	(213,285)	153,429	331,942	-	-	(213,234)	51	(213,285)	-	
Indus Energy 13 GmbH & Co. KG	69.54	34,772	(215,371)	153,429	334,028	-	-	(215,320)	51	(215,371)	-	
Indus Energy 14 GmbH & Co. KG	69.54	34,772	(215,371)	153,429	334,028	-	-	(215,320)	51	(215,371)	-	
Indus Energy 15 GmbH & Co. KG	69.54	34,772	(215,379)	146,397	327,004	-	-	(215,331)	48	(215,379)	-	
Indus Energy 16 GmbH & Co. KG	69.54	34,772	(213,328)	153,386	331,942	-	-	(213,292)	35	(213,328)	-	
Indus Energy 17 GmbH & Co. KG	69.54	34,772	(215,371)	153,429	334,028	-	-	(215,320)	51	(215,371)	-	
Indus Energy 18 GmbH & Co. KG	69.54	34,772	(215,374)	146,402	327,004	-	-	(215,325)	49	(215,374)	-	
Indus Energy 19 GmbH & Co. KG	69.54	34,772	(215,371)	153,429	334,028	-	-	(215,320)	51	(215,371)	-	
Indus Energy 20 GmbH & Co. KG	69.54	34,772	(14,282)	82	14,282	-	-	(14,282)	-	(14,282)	-	
KS SPV 16 Limited	82.32	82	(14,282)	82	14,282	-	-	(14,282)	-	(14,282)	-	
Solarpark Marktsuhl GmbH & Co. KG*	72.26	14,452	(1,132,664)	276,983,065	278,101,277	-	-	(1,125,336)	7,328	(1,132,664)	-	
Canversus Limited	69.54	69,544	(767,485)	4,934,063	5,632,005	-	-	(1,11,826)	-	(11,826)	-	
Gatus 537 GmbH	69.54	1,738,595	980,384	4,582,544	1,863,565	-	1,832,002	1,040,229	164,542	875,686	-	
Indus Energy GmbH & Co. KG*	72.26	36,130	(616,043)	142,029	721,942	-	-	(126,733)	3,748	(130,482)	-	
Indus Solar GmbH & Co. KG*	72.26	96,070,335	35,544,448	146,611,197	14,996,415	-	62,399,476	42,692,843	6,523,025	36,169,818	-	
Luminace Energy Limited	82.32	823	(251,123)	542,101,575	542,351,875	-	-	(228,279)	-	(228,279)	-	
Daylighting Energy Limited	82.32	823	(234,312)	37,031,137	37,264,625	-	-	(211,468)	-	(211,468)	-	
Daylighting Power Limited	82.32	823	(22,867,507)	1,810,646,011	1,833,502,694	-	2,177,864,002	(22,834,661)	-	(22,834,661)	-	

MOSER BAER INDIA LIMITED
FINANCIAL DETAILS OF THE SUBSIDIARY COMPANIES

(All amounts in rupees, unless otherwise stated)

Name of the Subsidiary Company	Closing exchange rate against Indian Rupees March 31, 2013	Capital	Reserves (including balance in profit and loss account)	Total assets	Total liabilities	Investments (except in case of investment of subsidiary)*	Turnover (including other income)	Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation	Proposed dividend
Photon Power Limited	82.32	823	(78,672)	44,114,685	44,192,535	-	-	(55,827)	-	(55,827)	-
Hive Solar Charlie Limited	82.32	82	(289,528)	572,458,228	572,727,673	-	-	(269,528)	-	(269,528)	-
Solar Bonding Power Limited	82.32	823	(129,366)	68,219,874	68,348,416	-	-	(129,366)	-	(129,366)	-
Clean Solar Energy Limited	82.32	823	(129,242)	5,056,124	5,184,543	-	-	(129,242)	-	(129,242)	-
Solar Power Surge Limited	82.32	823	(132,716)	79,414,155	79,546,048	-	-	(132,716)	-	(132,716)	-
Solar Vector Limited	82.32	823	(129,193)	1,962,374	2,090,743	-	-	(129,193)	-	(129,193)	-
Solar Lighting Power Limited	82.32	823	(3,834)	4,969,172	4,972,182	-	-	(3,834)	-	(3,834)	-
Solar Power 1 Limited	82.32	823	(2,270)	3,859,404	3,860,850	-	-	(2,270)	-	(2,270)	-
Luminance Solar 1 Limited	82.32	823	(2,138)	155,095	156,410	-	-	(2,138)	-	(2,138)	-
Sunglow Power Limited	82.32	823	(2,171)	2,213,085	2,214,432	-	-	(2,171)	-	(2,171)	-
Blaze Energy Limited	82.32	823	(2,138)	4,106,498	4,107,813	-	-	(2,138)	-	(2,138)	-
Lucent Power Limited	82.32	823	(2,421)	3,447,648	3,449,246	-	-	(2,421)	-	(2,421)	-
Sunray Power Limited	82.32	823	(2,138)	155,095	156,410	-	-	(2,138)	-	(2,138)	-
Lunar Solar Limited	82.32	823	(2,121)	(1,298)	-	-	-	(2,121)	-	(2,121)	-
Drive Solar Limited	82.32	823	(2,121)	3,456,180	3,457,478	-	-	(2,121)	-	(2,121)	-
Glorious Energy Limited	82.32	823	(2,138)	155,095	156,410	-	-	(2,138)	-	(2,138)	-
Emyreal Energy Limited	82.32	823	(2,138)	155,095	156,410	-	-	(2,138)	-	(2,138)	-
Raisen Limited	69.54	139,088	134,723,796	790,678,304	655,815,420	-	671,180,218	61,523,105	6,258,942	55,264,163	-
Hygrove Limited	69.54	139,088	(12,643,202)	478,253	12,982,367	-	-	(1,359,234)	-	(1,359,234)	-
MBCEL Inc	54.39	54	(1,916,753)	109	1,916,807	-	-	(543,893)	-	(543,893)	-
Solar Farm Project I LLC	54.39	54	-	54	-	-	15,555	15,555	-	15,555	-
New Energy Solar B.V.*	72.26	2,167,815	580,065,383	1,408,216,526	825,983,328	-	103,406	(24,411,187)	-	(24,411,187)	-
Twelve Energy Societa Agricola S.R.L.*	72.26	7,226,050	1,310,486,801	2,256,490,051	938,777,199	-	708,054,264	196,951,629	19,633,395	177,318,234	-
Softenco Limited		46,473	(2,093,809)	538,060	2,585,396	-	-	(219,175)	-	(219,175)	-
Basilian Limited		46,136	(565,925)	-	519,789	-	-	(132,143)	-	(132,143)	-

* Financial Result / Exchange rate as on 31st December, 2012

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
Moser Baer Clean Energy Limited	CBC Solar Technologies Ltd.	12% optionally cummulative convertible debentures	383,503,110
	Responsive Sutip Limited.	12% optionally cummulative convertible debentures	975,503,640
	Ganges Green Energy Private Limited.	12% optionally cummulative convertible debentures	1,088,158,750
	Ganeshvani Merchandise Pvt. Ltd.	12% optionally cummulative convertible debentures	195,320,000
	Chattel Constructions Private Limited	12% optionally cummulative convertible debentures	975,234,000
	Ujjawala Power Private Limited.	12% optionally cummulative convertible debentures	975,700,000
	Hiraco Renewable Energy Pvt. Ltd.	12% optionally cummulative convertible debentures	770,323,000
	Sand Land Real Estates Private Limited.	12% optionally cummulative convertible debentures	1,197,332,690
Lumen Engineering Private Limited	Chhattisgarh Sondiha Coal Company Limited	Equity Shares	4,900,000

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, 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
Chairman and Managing Director
Deepak Puri

moserbaer[™]

Corporate & Regd. Office : 43B, Okhla Industrial Estate, Phase-III, New Delhi - 110020. India.
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Form A

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

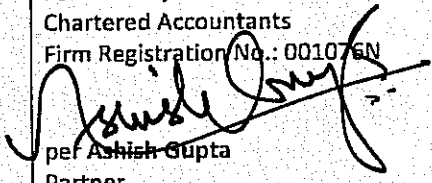
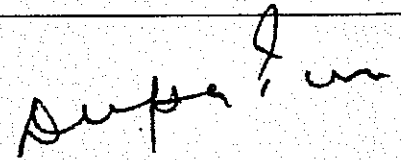
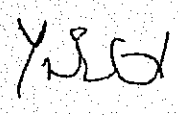

1.	Name of the Company	Moser Baer India Limited
2.	Annual Financial Statements for the year ended	31 March 2013
3.	Type of Audit Observation	<p>The report of statutory auditors contains the following observations on the financial statements:</p> <p>(i) Emphasis of Matter in the Independent Auditors' Report on the financial statements:</p> <p>A. We draw attention to note 44(d) to the financial statements regarding restructuring of the outstanding Foreign Currency Convertible Bonds, the related accounting and also the uncertainty of this being accepted by the bond holders and approved by concerned regulatory authorities. Our opinion is not qualified in respect of this matter.</p> <p>B. We draw attention to note 47(a) in the financial statements with respect to management's assessment, based on valuation performed by an independent valuer, of recoverability of investments in and other receivables from two subsidiaries namely Moser Baer Photovoltaic Limited and Moser Baer Solar Limited amounting to Rs. 1,472,573,990 and Rs.6,163,124,675 respectively. The recoverability of these amounts is dependent on successful implementation of new technologies, external market conditions, regulatory benefits and conclusion of debt restructuring in the terms as proposed by the subsidiaries, which are significantly uncertain. Our report is not qualified in respect of this matter.</p>

[Handwritten signatures and initials]

[Signature]

[Signature]

[Signature]

4	Frequency of observation	Observations (i) A has appeared for the first time and observation (i) B has been appearing since 2011-12.
5.	<p>Signed by:</p> <p>Managing Director Mr. Deepak Puri</p> <p>CFO Mr. Yogesh Mathur</p> <p>Auditor of the Company</p> <p>For Walker, Chandiook & Co Chartered Accountants Firm Registration No.: 001076N</p>  <p>per Ashish Gupta Partner Membership No.: 504662</p> <p>Place: New Delhi Date: May 30, 2013</p> <p>Audit Committee Chairman Mr. Bernard H Gallus</p>	  

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