

September 28, 2017

National Stock Exchange of India Limited  
"Exchange Plaza"  
Bandra-Kurka Complex, Bandra (East)  
Mumbai 400 051  
Fax No: 022-26598237/38  
022-26598348

Bombay Stock Exchange Limited  
P. J. Towers  
Dalal Street  
Mumbai 400 001  
Fax No: 022-22723121/22722037/22722041  
22723719/22722039/22722061/(22721072)

**SUBJECT : Annual Report for the Financial year ended on March 31, 2017**  
**REFERENCE : Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015**

Dear Sir,

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith copy of the Annual Report of the Company for the financial year ended on March 31, 2017, as approved and adopted by the shareholders in the Annual General Meeting held on September 28, 2017.

Kindly take the same on record.

For MOSER BAER INDIA LTD

  
COMPANY SECRETARY



Encl.: Annual Report





The narrative is no longer, 'can India be the destination of growth', today the focus is on 'when' and 'how' and not 'if'. The current environment under steady hands will help the companies ride the storm into calmer seas.

In short, as India strives to improve the quality of life for its citizens and lays the foundation for a sustainable future, the country is generating many lessons on development.

Although there are few blueprints for development on such a large and diverse scale, India has pioneered a host of bold new initiatives to address these and other challenges. Since the current government has the political will to drive this blueprint to its logical end, India could grow rapidly during fiscal 2018 to 2022 powered by greater access to banking, technology adoption, urbanisation and other structural reforms. India is on track to achieve a major reform of indirect taxes through GST without increasing the burden on the poor. Given the efficiency and revenue gains that the reform will eventually achieve, the overall impact of GST on both equity and poverty can be expected to be positive.

India's economy was slowing down in early FY 2016-17, until the favorable monsoon started lifting the economy, but the recovery was temporarily disrupted by the government's "demonetization" initiative. On November 8, 2016, the government demonetized (i.e. removed legal tender status from) an estimated 23 billion INR 500 and INR1000 banknotes, corresponding to 86% of India's currency in circulation. Demonetization caused an immediate cash crunch, and activity in cash reliant sectors was impacted. GDP growth slowed down to 7.0 % year-on-year during the third quarter of 2016-17 from 7.3 % in the first quarter.

As a result, a modest slowdown took place in the GDP growth in FY 2016-17 to 6.8 %. According to a recent update, growth is expected to recover in FY 2017-18 to 7.2 % and is projected to gradually increase to 7.7 % in FY 2019-20.

Since our last report, despite a strong customer base led by our long term relationships with key OEMs in the Optical Media space as also healthy growth prospects within the Solid State Media and Solid State Lighting segments, your company had to face severe headwinds caused principally on account of severe liquidity constraints resulting in lack of working capital to fund operations in order to meet the on-going business opportunities. The company made every effort within its means to augment its liquidity, whether in terms of securing additional customer advances, enhanced vendor financing, sale of

## CHAIRMAN'S MESSAGE

Dear Shareholders,

*After a lackluster outturn in 2016, the economic activity is projected to pick up pace in 2017 and 2018, especially in the emerging market and developing economies. However, there is a wide dispersion of possible outcomes around the projections, given global uncertainties and geo-political ramifications. While I do see that the outlook for advanced economies has improved for 2017-18, but growth prospects have marginally worsened for emerging market and developing economies, where financial conditions have generally tightened. Near-term growth prospects were revised upwards for China, due to expected policy stimulus, but were revised down for a number of other large economies—most notably India, Brazil, and Mexico.*

In such an environment, conducting business could be akin to travelling through a tunnel without sight of the end. However, the Government of India has taken multiple actions aimed at promoting the Indian economy, notwithstanding the short term pains.

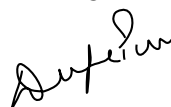
noncore assets as also a continuing dialogue with lender banks towards restructuring and resolution of the existing debt. However, despite our perseverance, the efforts did not yield the desired results and the resultant shortfall in liquidity has led to a progressive decline in our operations. During this period, every effort was made to rationalize costs, and while healthy progress was made towards optimizing the cost structure, this was not adequate to compensate the shortfall in overall margins, resulting in higher levels of stress and financial strain.

We continue to work on garnering support from all our stakeholders including banks and financial institutions, customers, vendors and other business associates to help us through these difficult times and I remain fully committed to help us traverse this path. We have done it in the past and I see no reason why this cannot be done in the future. However, it must be said that there is still some way to go to achieve the requisite consensus as also to impart the much needed liquidity to be able to tread the potential revival path.

The Company has been constantly working on consolidation measures and restructuring of its operations according to business imperatives, while it continues to make in-roads into the energy efficient LED lighting business and remains a key player in the Solid State Media Segment.

I am indeed proud and feel humbled to have the support and commitment of our stakeholders. Our perseverance along with the grit and determination will help overcome the challenging times that are being faced by your Company. Together, we will continue to work on our revival for a better tomorrow.

Best Regards,



(Deepak Puri)

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors do hereby present their 34th Annual Report on the business and operations of the Company together with the Audited Financial Statement for financial year ended 31st March, 2017.

### Financial Results (Standalone Operations)

| Particulars  | (Rupees in Million)                             |  |
|--|---|--|
|  | Year ended<br>March 31, 2017<br>(Twelve Months) | Period ended<br>March 31, 2016<br>(Fifteen months) |
| Gross Sales, Service Income and other Income                                     | 5,610   | 7,804  |
| Profit/(Loss) before Depreciation, Interest and Tax but after Prior Period Items | (358)   | (700)  |
| Depreciation / Amortization  | 621   | 1,061  |
| Interest and Finance Charges   | 2,126   | 2,744  |
| Profit / (Loss) before Exceptional Items and Tax                                 | (3,105)   | (4,505)  |
| Exceptional Items  | (8,034)   | (2,532)  |
| Profit / (Loss) before Tax   | (11,139)  | (7,037)  |
| Tax Expenses   | -   | -  |
| Profit / (Loss) after Tax  | (11,139)  | (7,037)  |
| Profit / (Loss) Carried Forward from Last Year                                   | (23,605)  | (16,457)   |
| Depreciation adjustment against reserves   | -   | (111)  |
| Profit/(Loss) Carried forward to Balance Sheet                                   | (34,744)  | (23,605)   |

### Operations

Gross Revenues for the financial year ended March 31, 2017 stood at INR 5,610 million, Loss before depreciation/ amortisation, interest, exceptional items and tax stood at INR (358) million.

### Market Environment and Outlook

#### Storage Media Business

During the financial year ended March 31, 2017, liquidity challenges continued to persist impacting operations. In the second half of the fiscal, the domestic business was additionally impacted by the effects of demonetization which resulted in short term economic pressures but is expected to result in structural changes which will be beneficial in the long term. While Average Selling Prices (ASPs) held strong during the year, the volumes were negatively impacted. However, the Company has been consistently working on improving cost efficiencies across the entire value chain.

Regulatory action by the Government of India against dumping of USB drives by players from select countries and the support of a key OEM customer has allowed Moser Baer the opportunity to build back its market share in this segment through sale of the Moser Baer and other OEM branded products.

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.

During the year, the Company undertook several steps aimed at lowering its overheads and aligning resources with the current level of operations. Further consolidation of operations in the Greater Noida facility is being implemented which will result in lower power consumption and reduced fixed overheads. The company continued to right size its employee base to current level of operations. These steps are expected to set the company back on a revival path in the near to medium term.

In the medium term, the Optical Media industry is expected to continue to witness overall volume decline globally. The trend is more accelerated in the developed economies. However, emerging markets such as Africa, Eastern Europe and parts of Asia would continue to remain stable with pockets of growth in DVD and Blu-ray formats.

In the near future, the Solid State Media segment is expected to continue to exhibit a healthy growth trend, given the market demand, regulatory action against predatory imports, strong relationships with OEM customers and a strong brand equity that Moser Baer enjoys in India, and is limited only by the current liquidity constraints.

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

### **Solid State Lighting**

The company had ventured into the Solid State Lighting business some time ago as a strategic initiative to build a potential new business growth segment by leveraging its existing manufacturing facilities and capabilities. During the year, the Company moved further, despite constraints, towards establishing itself as a key player in the Indian LED market, with a large number of B2B clients and an initial foray into the B2C segment.

We continue to produce LED lighting products in our manufacturing facility (with imported LED Chips and a few other components), while leveraging our existing asset and skill base. We will however continue to work with outsourced contract manufacturers also to manufacture select LED products designed by Moser Baer as per our quality specifications.

The company is scaling up operations in LED lighting space by leveraging its brand equity and expanding its distribution network nationally as also in making further inroads into the burgeoning B2B segment. However, its ability to grow rapidly is still hampered by the limited availability of liquidity, an aspect which is being addressed in the revival strategy.

### **Photo Voltaic Business**

In the Solar PV segment, 2016 was a record year with the global solar industry witnessing installations of 76.6 GW while the home market added more than 4.3 GW capacity in 2016 to reach a cumulative capacity of 9.8 GW by the end of the calendar year. Moser Baer utilized its cell and module manufacturing facilities to take advantage of opportunities due to the Domestic Content Regulations in the solar sector.

However, liquidity pressures continued to persist during the year critically impacting our ability to enhance manufacturing operations and capacity utilization levels. Nonetheless, the positive global macro sector environment along with a large potential domestic market provides opportunity to us to benefit from these segments, given that we are one of the largest integrated PV manufacturers in India.

### **Dividend**

Considering the operating performance for the financial year ended on March 31, 2017, your Directors do not recommend any dividend for the year.

### **Reserves**

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

### **Fixed deposits**

During the year under review, your Company has not accepted any deposit under Section 73 of the Companies Act, 2013 and rules made there under.

### **Share Capital**

During the year the Company has not allotted any shares.

### **Financial Year**

The Company closed its financial year on March 31, 2017. The previous reported financial period ending March 31, 2016 was for a period of 15 months.

### **Consolidated Financial Statement**

Your Company is also presenting the audited consolidated financial statements prepared in accordance with the Accounting Standard 21 issued by the Institute of Chartered Accountants of India. Further, pursuant to the provisions of Section 129(3) read with Rule 5 of Companies (Accounts) Rules, 2014, statement containing salient features of the financial statements of subsidiary companies is disclosed separately and forms part of the annual report

### **Board of Directors and its meetings**

In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Deepak Puri, Chairman and Managing Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Further, the tenure of Mr. Deepak Puri as Managing Director of the Company is expiring on August 31, 2017. He is proposed to be re-appointed as Managing Director for a further period of 3 years w.e.f. September 01, 2017. Further, the tenure of Mrs. Nita Puri as Whole Time Director of the Company expires on November 30, 2017 and is therefore proposed to be re-appointed as Whole Time Director for a further period of 3 years w.e.f. December 01, 2017.

During the year under review, the Company conducted five Board Meetings i.e. May 25, 2016, August 11, 2016, October 01, 2016, November 10, 2016 and February 09, 2017.

The details of Directors being recommended for appointment or re-appointment pursuant to Regulation 33(3) of the Listing Regulations are contained in the accompanying Notice of the ensuing Annual General Meeting.

All the independent directors inducted into the Board are provided with various materials on the Company and updated from time to time.

The Company has constituted various Committees of the Board of Directors, details whereof are given in Corporate Governance Report.

### **Appointment and declaration of Independent Directors**

The Company has received a declaration of independence from all Independent Directors under Section 149(6) of Companies Act, 2013 and rules made there under. This is also in compliance of regulation 25(2) of SEBI (LODR) Regulation, 2015.

### **Key Managerial Personnel**

The Company has the following Key Managerial Personnel:

Mr. Yogesh Bahadur Mathur, Group President – Moser Baer & Group Chief Financial Officer is the Chief Financial Officer and Mr. Neeraj Parmar is the Company Secretary.

### **Subsidiary and Associate Companies**

As on March 31, 2017, the Company had 21 subsidiaries including indirect subsidiaries. All these companies are 100% beneficially owned by Moser Baer India Limited. The Company regularly monitors the performance of such companies. Details of subsidiaries are given in the Annexure to this report.

The Company shall make available the annual accounts of the subsidiary companies to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company and respective subsidiary companies. Further, the annual accounts of the subsidiaries are also available on the website of the Company viz. [www.moserbaer.com](http://www.moserbaer.com). The consolidated financial statements presented by the Company include the financial results of its subsidiary companies.

### **Policy on director's appointment and remuneration**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its function of governance and management. As on March 31, 2017, the Board consist of five members, two of whom are executive/whole-time directors, remaining three are independent directors.

The policy of the Company on director's appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is appended as Annexure1 to the Board's report. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

### **Circulation of Audited Financial Statements**

In terms of the provisions of section 136 of the Companies Act, 2013, 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 ended on 31st March, 2017. Full version of the Annual Report will be available on Company's website [www.moserbaer.com](http://www.moserbaer.com) and will also be made available to shareholders upon request.

As in the previous year, this financial year too, the Company is publishing statutory information in the print version of the annual report. However, we shall be sending full 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. For members who have not provided their email ids, physical copy is being sent in permitted mode.

### **Auditors & Auditor's Report**

At the Annual General Meeting of the Company held on 30th September, 2016, the appointment of M/s. Walker, Chandiook & Co. LLP (Firm Regn. No. 001076N/N500013), Chartered Accountants as statutory auditors of the Company to hold office until the conclusion of 37th Annual General Meeting, was ratified. Further, in accordance with Section 139 of the Companies Act, 2013, the appointment of M/s. Walker, Chandiook & Co. LLP is placed for ratification by the shareholders at this Annual General Meeting.

The Audit Committee at its meeting held on August 22, 2017 has recommended to ratify the appointment of M/s. Walker, Chandiook & Co. LLP as statutory auditors of the Company.



The Auditors' in their Report to the members, have given three qualified opinions (Point Nos. 8 to 10 of their report) and the response of your Directors with respect to them are as follows:-

Response to Point (8)

In absence of definitive agreement with banks with respect to calculation of interest on loan liability, management is unable to comment upon the impact of exit from CDR on the carrying value of short term borrowings, other current liabilities and interest expense for the financial year ended March 31, 2017 and the consequential impact on the financial statements.

Response to Point (9)

In view of the numerous uncertainty and accumulated losses, Auditor's shows inability to uncertain of quantum of impairment in respect of carrying value of fixed assets. However, the Company feels that in view of impairment recorded based on valuation report done by independent valuer no further impairment is necessary.

Response to Point (10)

The matter has been evaluated and the Company is of the view that the diminution, if any, even if it exists is only temporary and that sufficient efforts are being undertaken to revive the said subsidiaries in the foreseeable future so as to recover carrying value of the investment. Further, management believes that the loans and advances given to the company and trade receivables are considered good and recoverable based on the future projections of the said subsidiary and accordingly no provision other than those already accounted for, has been considered necessary.

In view of the above, the impact of the above stated qualifications on the financial statements cannot be quantified. For details please refer Annexure placed next to respective Auditors' report.

With respect to the observation in Auditors Report on Internal Financial Controls, the Company is constantly endeavoring to improve the standards of internal control in various areas and taking steps to strengthen the internal control system to make it commensurate and effective with the size of the entity and the nature of its business.

There was no matter to be reported by the Auditors/Board of Directors as per requirements of Section 143(12) or Section 134(3)(ca) of the Companies Act, 2013.

### **Directors' Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm 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;
- 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 on March 31, 2017 and of the loss for the year ended on that date;
- 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;
- We have prepared the annual accounts on a going concern basis.
- We have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and the Company is constantly endeavouring to improve the standards of internal control in various areas and taking steps to strengthen the internal control system to make it commensurate and effective with the size of the company and the nature of its business.
- We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Stock Option Plan - 2015**

During the year under review, the Nomination and Remuneration Committee of the Board of Directors has not granted any options to employees of the Company under Stock Option Plan – 2015 as the scheme has not yet been implemented.

### **Restructuring of Outstanding Foreign Currency Convertible Bonds (FCCB)**

The financial statements for the year ending March 31, 2017 reflect outstanding FCCBs at their face value of \$ 88.4 mn (equivalent to Rs 5,732.7 million), along with premium on redemption. As at 31 March 2017, such accrual for premium on FCCB aggregates Rs 5,646.8 million. The company is in the process of negotiation with the bondholders to re-structure the terms of these bonds. This is now subject to the approval of secured lenders, which is expected to be settled only along with the resolution of secured debt.

## Debt Restructuring

The Corporate Debt Restructuring (CDR) schemes of the Company, as well as of its subsidiary PV companies were earlier approved in FY 2012-13 and had been under implementation. A debt of INR 23,700 million for the company, INR 8,650 million for Helios Photo Voltaic Ltd. and of INR 9,560 million for Moser Baer Solar Ltd. was conclusively restructured, additional funds provided and interest funded. After execution of the Master Restructuring Agreement and other key documentation, the respective schemes had been under implementation.

The Company however continued to face severe liquidity issues primarily resulting from non-release of sanctioned working capital limits and refunds due to the Company. As a result, the Company has been unable to comply with repayment terms of its borrowing arrangement with secured lenders as agreed in the CDR package approved in year ended March 31, 2013. The banks exited from the CDR mechanism on 10 October 2016. The Company then approached the lender consortium for a fresh proposal for resolution of its secured debt in November 2016. The banks instituted a TEV study which was conducted by an expert appointed by the bank which submitted its report to the lenders. However, the proposal did not find favour with the banks. The lenders indicated their inability to accept the TEV and further indicated their intention to initiate legal proceedings against the company. The Company has received debt recall and notices under the SARFAESI Act from consortium lender banks for their respective share of debt which the Company has challenged and will take further appropriate steps as may be advised by its counsel. The Company continues to engage with management of banks on debt resolution proposal.

Even after the exit of Company from CDR mechanism, the Company has continued to operate through TRA with 9% tagging against which it has represented for discontinuance/ relief. The management has also taken an expert opinion from a leading law firm about the options available to the banks and the possible legal defences available to the company.

The CDR Lenders now have to take a decision of how they wish to pursue further course of action on resolution or recovery action. The company expects that lender banks will take remedial action as opposed to recovery action. With the promulgation of the Insolvency and bankruptcy code, the company has the risk of recovery/liquidation as well as an opportunity to present its case on the resolution of debt.

As on 31st March, 2017, one of the lender banks, which is part of the CDR consortium of the Company, has assigned its outstanding dues in favour of an asset reconstruction company on the same terms and conditions as applicable to the said lender.

The Company continues to operate at suboptimal levels due to working capital constraints, resulting in adverse impact on cash flow from operations in the current year. The Company is pursuing resolution of debt with secured lenders and FCCBs holders and is expecting removal/ reduction in tagging by the lender banks. The Company also expects to generate cash flow through sale of surplus assets and improve operational efficiencies through reduction in fixed overheads and employee costs. The Company has also entered into an arrangement with main raw material supplier for extension of credit terms and in discussion with customers to provide advance for business. With possible restoration of OEM Optical Media business, positive traction in Solid State media & LED business segments, coupled with promoter contribution and resolution of debt from banks at sustainable levels, the company expects to achieve better utilization of its manufacturing facilities and consequently, generate positive cash flow from operations going forward.

## PV Subsidiaries

During FY 2012-13, Secured Lenders (Banks) had approved the Corporate Debt Restructuring of Helios Photovoltaic Limited ("HPVL"), one of the subsidiary companies. The CDR was not fully implemented and HPVL was unable to service the repayments/ payments of loan/ interest in accordance with CDR which resulted in HPVL's debt becoming non-performing assets with all the banks.

Consequently, the Monitoring Institution made a recommendation to the CDR Empowered Group along with approval of majority secured lenders to seek exit of HPVL's account from CDR and the CDR EG approved this exit. A majority of lender banks have issued notices to HPVL recalling their debt. The management continues to explore with lender banks for resolution of debts for revival of the company.

In respect of Moser Baer Solar Limited (MBSL), another subsidiary company, implementation of the CDR Scheme was impacted by factors such as delay in receipt of SIPS Capital Subsidy from the Govt. and non release of working capital limits and refunds by lenders. This resulted in severe liquidity crunch due to which, it was unable to comply with repayment terms of its borrowing arrangements with secured lenders as agreed in the CDR package approved in FY 2012-13. MBSL accordingly approached these lenders for a revised debt restructuring plan/ debt resolution plan. The Monitoring Institution of MBSL instituted a TEV study which was conducted by an independent expert who had submitted its report to the lenders. However, the lenders exited from the CDR mechanism subsequently.

Subsequent to exit of two subsidiary companies, Helios Photovoltaic Limited (HPVL) in FY 2015-16 and Moser Baer Solar Limited (MBSL) in FY 2016-17 from CDR, majority of lender banks issued notices to these subsidiary companies recalling their debt under SARFAESI Act. The subsidiary companies have already challenged the said loan recall and enforcement action in its response to those notices and will take further appropriate steps as may be advised by its lawyers. The management has also taken an expert opinion from a leading law firm about the options available to the banks and the possible legal defences available to the company. In the meanwhile, one of the secured lenders have initiated Corporate Insolvency Resolution Process (CIRP) against MBSL in the National Company Law Tribunal under the Provisions of IBC. The subsidiary has submitted a preliminary debt resolution plan to the lenders.

Fortunately, the domestic industry environment in Solar has turned positive in the recent past following the thrust on 'Make in India' and the announcement of a slew of initiatives supporting solar manufacturing. These companies have been operating at sub optimal levels despite the improved market environment, due to working capital constraints. Release of funds under the Special Incentive Package Scheme (SIPS), continuation of Govt. measures supporting manufacturing, additional promoters' contribution, reduction in redundant fixed costs and resolution of debts on sustainable basis are expected to provide improved liquidity, better utilisation of its manufacturing facilities and positive operating cash flows.

The Company intends to continue to engage in constructive discussions with the CDR Lenders on the debt resolution plans for the company and its solar subsidiaries. However, currently the situation is fluid and any of a number of different outcomes could occur including through CIRP.

### **BIFR registration**

Pursuant to the erosion of its net worth, the company had filed a reference and was registered before the erstwhile Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Act (SICA) in September 2014. Further, HPVL and MBSL, the PV subsidiaries were also registered with BIFR in September 2014 and June 2015 respectively. The SICA Repeal Act has been notified and BIFR has been dissolved and accordingly, the proceedings before BIFR stand abated w.e.f 1st December 2016.

### **Particulars of Loans, guarantees or investments**

Details of loans, guarantees or investments have been disclosed in the financial statements. The Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans, investments and guarantees given by the Company. The loans and guarantees etc. were utilised by the recipients for the business purposes.

### **Human Resources and Industrial Relations**

As Moser Baer continued to witness financial constraints and internal challenges that impacted its performance, HR is being stretched to every possible way to make difficult decisions to remain viable and competitive within resource constraints.

In an era where business must do more with less, it is critical that our workforce is performing at its highest level, now more than ever. HR has been constantly working on consolidation measures, cost containment, restructuring of operations, aligning priorities and at the same time maintaining stellar performance level.

With effective and transparent communication with employees and well-structured HR strategies, the organization peacefully managed to consolidate Manpower in terms of business requirement. Moser Baer group closed the year ending March 31, 2017 with 2,889 employees as compared to 3,021 employees at the end of last financial year.

On part of Industrial Relations (IR) at the manufacturing locations, IR has been largely peaceful since the time we had reached a three year wage settlement with workers in April 2015. Although, there have been some intermittent IR disturbances for wages and benefits, the HR is expectedly playing a vital role in maintaining harmonious relations with workers and employees and is watchful for possible preventive measures.

Due to liquidity constraints and the contraction in business, the company could not implement the increment due to the Workers effective 1 April 2017 under the Settlement Agreement of 2015. In March 2017, the Company had apprised the concerned authorities regarding the same and indicated its commitment for implementing the same as and when circumstances permit. The matter has since been referred for conciliation proceedings before the concerned authorities.

Pursuant to the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules thereunder, it is reported that your Company has not received any complaint of sexual harassment during the year under review.

### **Particulars of employees**

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are set out in the Annexure 2 to this report.

Further any member interested in information as per Rule 5.2 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, may write to the Company Secretary at the Registered Office. The said information is also available for inspection at the Registered Office during working hours up to the date of the Annual General Meeting. Annual Report excluding the aforesaid information is being sent to all shareholders of the Company.

### **Risk Management**

The Board of Directors is overall responsible for identifying, evaluating and managing all significant risks faced by the Company. The Board formed a Risk Management Committee which plays an overarching role and establishes the guiding principles by which key risks are managed across the organization.

## **Vigil Mechanism**

The Company has in place a Vigil Mechanism Policy, to support the Code of Business Ethics in compliance with the requirements of the Companies Act, 2013 and Listing Regulations. This policy documents the Company's commitment to maintain an open work environment in which employees, consultants and contractors are able to report instances of unethical or undesirable conduct, actual or suspected fraud or any violation of Company's Code of Business Ethics at a significantly senior level without fear of intimidation or retaliation.

The Vigil Mechanism structure involves the Company Secretary, Head of SPAD and Chairman of Audit Committee. They are authorized by the Board of Directors of the Company for the purpose of receiving all complaints under the policy and in ensuring appropriate action. The concern can be reported by sending an e-mail message at the dedicated address viz. firstinfo@moserbaer.in.

Individuals can raise their concerns directly to the Company Secretary and for any serious matters to the chairman of the Audit Committee of the Company. There is proper framework to investigate allegations and to deal with it effectively. All the Company personnel have access to the Audit Committee in consultation with the Company Secretary.

The details of establishment of vigil mechanism for Directors & employees to report genuine concerns are available at the website 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 134 of the Companies Act, 2013 and the rules made there under is given as per Annexure 3 and forms part of this Report.

## **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 Secretarial Auditors/ Practicing Company Secretary.

## **Secretarial Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. Kundan Agrawal & Associates, Company Secretaries in practice, to undertake the Secretarial Audit of the Company for the Financial Year 2016-17. The report of the Secretarial Audit is annexed to this report as Annexure 4. Secretarial Auditors' report is self-explanatory and therefore does not require further comments and explanation.

## **Formal Annual Evaluation**

The company has devised a framework for performance evaluation of Independent Directors, Board, Committees and other Directors. The framework includes various parameters of evaluation such as information flows, decision making, Board dynamics, Company performance etc. SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 requires that the Board shall monitor and review the Board evaluation framework. As per the requirements of the Companies Act, 2013 and Schedule IV thereof a formal annual evaluation was made by the Board of its own performance and that of its Committees and individual directors.

## **Corporate governance**

Your company strives to ensure that best corporate governance practices are identified, adopted and consistently followed. Your Company believes that good governance is the basis for sustainable growth of the business and for enhancement of stakeholder value.

A separate section on Corporate Governance forming a part of the Directors' Report and the certificate from M/s. Kundan Agrawal and Associate, Secretarial Auditors of the Company confirming compliance of conditions on Corporate Governance as stipulated in Schedule II of SEBI (LODR) Regulations, 2015 is included in this Report. The Managing Director and Group Chief Financial Officer of the Company have issued necessary certificate to the Board in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015 with Stock Exchanges for the financial year ended on March 31, 2017. However, in terms of the provision of Section 136 (1) of the Companies Act, 2013, the abridged Annual Report will be sent to the members of the Company excluding this report.

## **Related Party Transactions**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed form AOC-2 is appended as Annexure 5 to the Board's Report

## **Significant and Material Orders and Material changes**

No such significant and material orders passed by the regulators or courts or tribunal impacting the going concern status and company's operations in future. Although, one of the Lenders of Moser Baer Solar Limited (a subsidiary company) has filed an application under Insolvency and Bankruptcy Code before National Company Law Tribunal which is to be heard for admittance.

The liquidity erosion continues to impact the operations resulting in a steep decline in production and sales of the Company even after the close of financial year.

There are no other material changes and commitments which affect the financial position of the company, which occurred between the end of the financial year and the date of this report.

#### **Internal Financial Control Systems and their adequacy**

The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems. For further details, please refer to the Management Discussion and Analysis Report which forms a part of the Annual Report'.

#### **Management Discussion and Analysis Report**

Management's Discussion and Analysis Report (MD&A) for the year under review, as stipulated under Regulation 34(3) and Schedule V of the Listing Regulations, is presented in a separate section forming part of this Report.

#### **Extract of the Annual Return**

The extract of the Annual Return in Form No. MGT-9 is appended as Annexure 6 and is a part of the Board's Report.

#### **Listing at Stock Exchanges**

The Shares of the Company continue to be listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. There is a delay in payment of annual listing fees for the year 2017-18 to the Stock Exchanges.

#### **Conclusion**

Although, your Company continues to be capable of maintaining a sustainable position in its various businesses by providing differentiated products and services in high growth technology manufacturing markets to its customers globally; its ability to do so remains severely constrained due to the liquidity stress, which is significantly impacting its current operations.

On its part, the company stands committed to working on its revival which will be significantly dependent on support of all stakeholders and specifically the approach of lender banks. The Company continues to work closely with its lenders towards finding a sustainable way forward that would be in the interest of all stakeholders.

Your Directors place on record their appreciation for the continued co-operation and support from shareholders, customers, workers, employees, business associates, bankers, vendors as well as regulatory and government authorities.

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

Place: New Delhi  
Date: August 22, 2017

**Deepak Puri**  
Chairman & Managing Director

## Annexure -1

### NOMINATION AND REMUNERATION POLICY

#### 1. Introduction

The Board of Directors of Moser Baer India Limited ("the Company") renamed and reconstituted the 'Compensation Committee' to "Nomination and Remuneration Committee" w.e.f May 14, 2014. The main purpose of the Nomination and Remuneration Committee is to evaluate and approve the Remuneration plans, policies and programmes of the executive directors and senior management and to administer various stock option plans of our Company.

This policy is applicable to the Company effective October 1, 2014.

#### 2. Objective

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement. The key objectives of the Committee would be:

- i. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ii. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation by the Board.
- iii. To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- iv. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance and achievement relating to the Company's operations.
- v. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial personnel and create competitive advantage.
- vi. To devise a policy on Board diversity.
- vii. To administer the Employees Stock Option (ESOP) and the Directors' Stock Option Plan (DSOP) of the Company.

#### 3. Definitions

"Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

"Board" means Board of Directors of the Company.

"Directors" means Directors of the Company.

"Key Managerial Personnel" means

- i. Managing Director or Chief Executive Officer or Manager and in their absence Whole-time director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and

"Senior Management" means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

#### 4. Role of Committee

##### 4.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ii. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- iii. Recommend to the Board, appointment and removal of Director, Key Managerial Personnel (KMP) and Senior Management Personnel.

##### 4.2 Policy for appointment and removal of Director, KMP and Senior Management

###### I Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age

of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

## **II Term / Tenure**

### **a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### **b) Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director, it should be ensured that number of Boards on which such person serves is restricted to seven listed companies as an Independent Director; and in case such person is serving as a Whole-time Director in any listed company the number of boards on which such person serves as Independent Director is restricted to three listed companies.

## **III Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

## **IV Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## **V Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **4.3 Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel**

### **I General:**

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Nomination and Remuneration Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Nomination and Remuneration Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### **II Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

#### **a) Fixed pay:**

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to Provident Fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**b) Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**c) Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**III Remuneration to Non- Executive / Independent Director:**

**a). Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

**b) Sitting Fees:**

The Non - Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

**c) Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

**d) Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

*Notes:*

*The total managerial remuneration payable by a public company to its directors, including managing director and whole time director in respect of any financial year shall not exceed 11% of the net profits of the company. Any payment exceeding 11% would require Central Government approval.*

*The remuneration payable to any one managing director; or whole time director shall not exceed 5% of the net profits of the company and if there is more than one such director remuneration shall not exceed 10% of the net profits to all such directors taken together. Any payment exceeding the said 5% or 10% limits would require the approval of the shareholders.*

*The remuneration payable to all the non-executive directors shall not exceed 1% of the net profits of the Company, if there is a managing or whole time Director. As there is a Managing Director and an Executive Chairman in the Company, the applicable limit is 1% of the net profit. Any payment exceeding 1%, would require the approval of the shareholders subject to the overall limit of 11%.*

*However, the Company in general meeting may, with the approval of the Central Government, authorise the payment of remuneration exceeding 11% of the net profits of the company, subject to the provisions of Schedule V.*

**5. Charter of the Nomination and Remuneration Committee:**

**5.1 Composition:**

Three or more non-executive directors out of which not less than one-half shall be independent directors.

Chairperson of the Company (whether executive or non -executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair the Committee.

**5.2 Meetings:**

The Committee will meet periodically as necessary to act upon any matter within its jurisdiction. All Committee members are expected to attend each meeting, in person or via tele or video-conference. A majority of the Committee will comprise a quorum when all Committee members are unable to attend a meeting. The Committee may request that other Board members, or officers, or other employees of the company, or any other persons whose advice and counsel are sought by the Committee, to attend any meeting of the Committee to provide pertinent information. Periodically, the Committee may meet in executive session separately without management and with its chosen independent consultants. Minutes will be kept of each meeting of the Committee.

**5.3 Authority:**

The Committee will have the authority:

1. To retain search firms to be used to identify appropriate director candidates or to retain other advisers, as deemed necessary and appropriate, to discharge the Committees duties and obligations.



2. To approve appropriate compensation at the company's expense for any search firms or other advisors engaged by the Committee for the purpose of carrying out its duties, and ordinary administrative expense of the Committee.

#### 5.4 Terms of Reference:

1. Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. The Committee will make recommendations to the Board regarding the size and composition of the Board and develop and recommend to the Board the Criteria (such as independence, experience relevant to the needs of the company, leadership qualities, diversity and ability to represent the shareholders) for the selection of the individuals to be considered as candidates for election to the Board.
3. The Committee will establish, monitor and recommend the purpose, structure and operations of the various Committees of the Board, and qualifications and criteria on membership on each Committee of the Board, and, as circumstances dictate, make any recommendations regarding periodic rotation of directors among the Committees.
4. Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees (referred as 'Nomination and Remuneration Policy').
5. Committee shall, while formulating the 'Nomination and Remuneration Policy, ensure that—
  - a) Formulation of criteria for determining qualifications, positive attributes, and independence of a director and recommend to the Board a policy, relating to the remuneration of a director, key managerial personnel and other employees
  - b) Formulation of criteria for evaluation of Independent Directors and the Board
  - c) Devising a policy on Board Diversity
  - d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
  - e) To administer the Employees Stock Option (ESOP) and the Directors' Stock Option Plan (DSOP) of the Company
  - f) Nomination and remuneration policy shall be disclosed in the Board's report.
6. Annual review of the salary, bonus and other compensation plans of the CEO, CFO and Senior Management team of the Company.
7. Review and approve the salary, bonus and compensation plans for all the executive directors of the Company.
8. Framing suitable policies and systems to ensure that there is no violation, by an employee or Company of any applicable laws in India or overseas, including:
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; or
  - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 2003.
9. Administer the implementation and award of stock options under the stock option plans of the Company.
10. Perform such functions as are required to be performed by the Nomination & Remuneration Committee under Clause 5 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
11. Recommend to the Board of Directors of the Company on any other employment incentives as the Committee deems it appropriate in the best interests of the Company.
12. Chairperson of the Committee or, in his/her absence, any other member of the Committee authorized by him/her in this behalf shall attend the general meetings of the Company.
13. The Committee will also undertake such additional activities as the Committee may from time to time determine or as may otherwise be required by law, the company's articles of association, or directive of the Board.
14. The Committee will make regular reports to the Board and will recommend any proposed actions to the Board for approval as necessary. The Committee will review and reassess the adequacy of these terms of reference at least annually and recommend any proposed changes to the Board for approval.
15. The Committee will at least annually evaluate its own performance to determine whether it is functioning effectively.

This Policy will be communicated to all concerned persons of the Company and shall be placed on the website of the Company.

## Annexure -2

### Disclosure pursuant to Section 197(12) of Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided below:

- (i) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2016-17:

| Directors       | Nature of Directorship          | Ratio |
|-----------------|---------------------------------|-------|
| Mr. Deepak Puri | Chairman and Executive Director | 1:39  |
| Mrs. Nita Puri  | Executive Director              | 1:11  |

No remuneration was paid to Independent Directors.

- (ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year:

There was no increase in the remuneration of Executive Directors.

The remuneration of non-executive Directors by way of sitting fee for attending Board/ Committee meetings remain same viz. INR 20,000 per Board meeting and INR 10,000 per Committee meeting during financial year 2016-17.

There was no increase in the remuneration of Key Managerial Personnel.

- (iii) The percentage increase in the median remuneration of employees in the financial year: 8.20%
- (iv) The number of permanent employees on the rolls of the Company: 2418 as on 31st March, 2017.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

There was no increase in the managerial remuneration and the average increase in the remuneration other than managerial personnel was 8.00%.

- (vi) The key parameters for any variable component of remuneration availed by the Directors: NIL

- (vii) The remuneration is as per the Remuneration Policy of the Company.

## Annexure 3

### Information as per Section 134 (1)(m) of the Companies Act, 2013 and the rule made thereunder, and forming part of the Directors' Report for the year ended 31st March, 2017

#### A. Conservation of energy

In order to promote conservation of energy, conventional lighting in the plant was replaced with LED lighting, and use of solar power was promoted. Major power savings done by consolidating BOM operations in two plants. All hydraulic molding machines have been replaced with hybrid / electric, which consume lesser power. Printing & Packaging operations have been consolidated into one plant to save on energy consumption.

Plant implemented measures to achieve the lowest unit power cost by switching to 100% use of HFO & not using Grid / Gas. Implementation of small power cost reduction projects are ongoing, across all types of shop floor operations.

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

Due to continuous decline in global market demand of Optical media, the new development has been considerably slowed down. After introduction of multilayer high definition format in year 2009 -10, there is no new product developed for retail customers.

Therefore, the company is mainly focusing on the innovation related to the cost optimization activities on optical media to make this business sustainable. Besides optical media MBIL is also focusing on Flash Memory business as well as LED lighting products. During the year, a number of new products developed through design and process innovation using existing assets of the company. These innovations have been successfully incorporated into some of the company's products and an ongoing effort is being made to improve the utilization of this innovation and produce newer innovative products with enhanced features.

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

During this year, the Company successfully established Moser Baer brand in the domestic market for COB, OTG, and USB 2.0. Company also introduced USB 3.0, SSD 120 GB and SSD 240 GB during the year

Besides flash memory, LED Lighting Business has made rapid strides in introducing various new products with top of the line performance characteristics in response to the market demands. While in-house LED Panel Light was introduced & Street Light range was expanded to introduce lower & higher wattages to the current range, Flood Lights & COB lights were added to the existing range of product offerings. With the Government of India introducing the Compulsory Registration Scheme (CRS) for select LED products, Moser Baer LED Team successfully registered the relevant products with the BIS. The LED Driver (considered the heart of a LED Lighting Product) was upgraded to higher Reliability standards.

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

Post implementation of anti dumping duties for USB 2.0 for products from China and Taiwan, Moser Baer along with its OEMs has significantly expanded its market share.

##### 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 BDRE (ODM Process) from Panasonic | 2010           | Yes                                 | NA  |
| Technology for BDR (ODM Process) from Panasonic  | 2011           | Yes                                 | NA  |

#### C. Research & Development

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

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

- 1.1. Development of USB3.0 compatible, High speed, flash memory
- 1.2. Development of alternate thermoplastics/ solvents for Optical Media

##### 2. New Equipment added in R & D Lab

No major equipment in R&D acquired during 2016-17

##### 3. Benefits derived as a result of the above R & D

- 3.1 MBIL has gained significant market share in Flash memory with introduction of new variants & high capacity flash product to meet market requirement.

3.2 MBIL significantly improved its cost competitiveness on LED products through backward integration and manufacturing of components using existing assets.

4. Future plan of action

1. Enhance focus on development of value added features in LED
2. Continue to work on Flash memory with enhanced features and compatibility
3. Development of the ecosystem/ capabilities for LED vendor development
4. Alternate thermoplastic/solvents for Optical media

**Expenditure on R& D**

Recurring expenses of Rs Nil was incurred during the year towards R&D expenses. These expenses are part of expenses incurred under various revenue heads.

**Foreign exchange earnings and outgo**

Total foreign exchange earned comprising of FOB value of exports, interest, and insurance claims received was Rs. 2,288 million, whereas total foreign exchange used (comprising of CIF value of imports, Royalty and other outgoings) was Rs. 1,122 million.

## Annexure 4

### Secretarial Audit Report

#### Form No. MR-3

For the Financial Year ended 31st March, 2017  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the  
Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members  
**M/s MOSER BAER INDIA LIMITED**  
43-B Okhla Industrial Estate, Phase-III,  
New Delhi - 110020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Moser Baer India Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that:

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We have not verified the correctness and appropriateness of the financial records and Books of the Company.
- c) Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31 March, 2017 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Indian Stamp Act, 1899;
- (vii) Indian Contract Act, 1872;
- (viii) Income Tax Act, 1961 and indirect tax laws;
- (ix) Applicable Labour Laws; and
- (x) Other applicable Laws;

Having regard to the compliance system prevailing in the Company and on the basis of presentation and Reports made by Compliance Auditors of the Company, we further report that the Company has adequate system to ensure the compliance of the other applicable laws specifically to the Company.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- Listing Agreements with Stock Exchanges in India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that

- During the period under review, provisions of The Companies Act, 2013 regarding Composition of Board was adequately followed by the company.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Kundan Agrawal & Associates**  
**Company Secretaries**  
**FRN: S2009DE113700**

**Place: Delhi**  
**Date: 22.08.2017**

**Kundan Agrawal**  
**Company Secretary**  
**Membership No.:- 7631**  
**C.P. No. 8325**

## FORM NO. AOC-2

## Particulars of contracts / arrangements made with related parties

(Pursuant to clause (h) of sub-section(3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

The form pertains to the disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

## A. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2017, which were not at arm's length basis

## B. Details of material contracts or arrangements or transactions at arm's length basis

Details of material contracts or arrangement or transactions at arm's length basis for the year ended 31st March, 2017 are as follows:

| Name of related Party and nature of relationship | Nature of contract/ arrangements/ transactions | Duration of contract/ arrangements/ transactions                  | Salient terms   | Date of approval by the Board, if any      | Amount (Rs.)   | Amount paid as advances, if any |
|--|--|---|---|--|----------------|---------------------------------|
| Moser Baer Solar Limited (subsidiary)            | Sales of goods                                 | On-going  | Sales of finished goods                                 | 11th February, 2016 and 9th February, 2017 | 10,774,934     | Nil                             |
| Moser Baer Entertainment Limited (subsidiary)    | Distribution agreement                         | On-going  | Distribution agreement sale of products                 | 11th February, 2016 and 9th February, 2017 | 907,331,496    | Nil                             |
| Helios Photo Voltaic Limited (subsidiary)        | Finance lease                                  | Building lease till 31-Mar-2030, Utilities lease till 31-Mar-2020 | Assets given on Finance lease                           | 11th February, 2016 and 9th February, 2017 | 199,606,086    | Nil                             |
| Moser Baer Solar Limited (subsidiary)            | Finance lease                                  | Building lease till 31-Mar-2030, Utilities lease till 31-Mar-2020 | Assets given on Finance lease                           | 11th February, 2016 and 9th February, 2017 | 559,692,194    | Nil                             |
| Moser Baer Solar Limited (subsidiary)            | Operating lease                                | Till 31-Mar-2020  | Assets taken on Operating lease                         | 11th February, 2016 and 9th February, 2017 | 374,363,100    |                                 |
| Moser Baer Entertainment Limited (subsidiary)    | Purchase of goods                              | Purchase of products  | Purchase of semi finished goods/ raw material/ services | 11th February, 2016 and 9th February, 2017 | 483,739,388    | Nil                             |
| Microgreen Electronics Private Limited           | Loans and advances                             | Promoter's Contribution   | Loans and advances received                             | 30th March, 2015                           | 18,000,000     | Nil                             |
| Helios Photovoltaic Limited (subsidiary)         | Corporate Guarantee given                      | Till the time loans are settled                                   | Guarantee to lenders towards borrowings                 | 11th August, 2011                          | 10,018,400,000 | Nil                             |
| Moser Baer Solar Limited (subsidiary)            | Corporate Guarantee given                      | Till the time loans are settled                                   | Guarantee to lenders towards borrowings                 | 11th August, 2011                          | 10,500,300,000 | Nil                             |

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

Place: New Delhi  
Date: August 22, 2017

**Deepak Puri**  
Chairman & Managing Director

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

|    |  |  |
|----|--|--|
| 1. | CIN  | L51909DL1983PLC015418  |
| 2. | Registration Date  | 21/03/1983   |
| 3. | Name of the Company  | Moser Baer India Limited   |
| 4. | Category/Sub-category of the Company                                       | Indian Non Government Company/Limited by shares  |
| 5. | Address of the Registered office & contact details                         | 43B, Okhla Industrial Estate, Phase-III, New Delhi-110020  |
| 6. | Whether listed company   | Yes, At National Stock Exchange of India Limited and Bombay Stock Exchange Limited   |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | MCS Share Transfer Agent Limited,<br>Registered Office:<br>12/1/5 Manoharpukur Road, Kolkata-700026<br>Office: F-65, 1st Floor, Ma Anandmayee Marg, Okhla Industrial Area, Phase-1, New Delhi-110020<br>Contact Person: Mr. S. Biswas<br>Phone Numbers: (011) 41406149/41406151/ 41406152/ 41709885/ 41609386<br>Fax No. (011)41709881,<br>E-mail: admin@mcsregistrars.com |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1      | Optical Media Product                            | 26800, 18200                    | 79.75                              |
| 2      | Pen Drive and Cards                              | 26202                           | 16.99                              |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

| Sr. No. | Name and Address of The Company                  | CIN/GLN               | Holding / Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|--|-----------------------|---------------------------------|------------------|--------------------|
| 1       | Moser Baer Entertainment Limited                 | U22229DL2006PLC153759 | Subsidiary                      | 100              | 2(87)              |
| 2       | Moser Baer Distribution Limited                  | U51900DL2006PLC146525 | Subsidiary                      | 100              | 2(87)              |
| 3       | Solar Research Limited                           | U80103DL2006PLC154426 | Subsidiary                      | 100              | 2(87)              |
| 4       | Moser Baer Laboratories Limited                  | U29268DL2006PLC154358 | Subsidiary                      | 100              | 2(87)              |
| 5       | Moser Baer Investments Limited                   | U65993DL2007PLC158125 | Subsidiary                      | 100              | 2(87)              |
| 6       | Helios Photo Voltaic Limited                     | U40106DL2005PLC143431 | Subsidiary                      | 100              | 2(87)              |
| 7       | Moser Baer Solar Limited                         | U74999DL2007PLC160162 | Subsidiary                      | 100              | 2(87)              |
| 8       | Competent Solar Energy Private Limited           | U74900DL2008PTC177408 | Subsidiary                      | 100              | 2(87)              |
| 9       | Value Solar Energy Private Limited               | U74900DL2008PTC177409 | Subsidiary                      | 100              | 2(87)              |
| 10      | Admire Energy Solution Private Limited           | U40100DL2008PTC175762 | Subsidiary                      | 100              | 2(87)              |
| 11      | Pride Solar Systems Private Limited              | U40106DL2008PTC175725 | Subsidiary                      | 100              | 2(87)              |
| 12      | Moser Baer Solar Systems Private Limited         | U40106DL2008PTC175987 | Subsidiary                      | 100              | 2(87)              |
| 13      | Moser Baer Infrastructure and Developers Limited | U45400DL2007PLC168594 | Subsidiary                      | 100              | 2(87)              |
| 14      | European Optic Media Technology GmbH             |                       | Subsidiary                      | 100              | 2(87)              |
| 15      | Perafly Limited                                  |                       | Subsidiary                      | 100              | 2(87)              |
| 16      | Nicofly Limited                                  |                       | Subsidiary                      | 100              | 2(87)              |
| 17      | Peraround Limited                                |                       | Subsidiary                      | 100              | 2(87)              |
| 18      | Advofern Limited                                 |                       | Subsidiary                      | 100              | 2(87)              |
| 19      | Tifton Limited                                   |                       | Subsidiary                      | 100              | 2(87)              |
| 20      | Photovoltaic Holding Limited                     |                       | Subsidiary                      | 100              | 2(87)              |
| 21      | MB Solar Holdings Limited                        |                       | Subsidiary                      | 100              | 2(87)              |
| 22      | Global Data Media FZ LLC                         |                       | Associate                       | 49               | 2(6)               |
| 23      | Solar Value Proizvodnja D.D                      |                       | Associate                       | 40               | 2(6)               |
| 24      | Moser Baer Infrastructure Limited                |                       | Associate                       | 26               | 2(6)               |



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)  
Category-wise shareholding

| Category of Shareholders |  | No. of Shares held at the beginning of the year<br>[As on 01-April-2016] |               |                   |                   | No. of Shares held at the end of the year<br>[As on 31-March-2017] |               |                  |                   | % Change during the year |
|--------------------------|--|--|---------------|-------------------|-------------------|--|---------------|------------------|-------------------|--------------------------|
|                          |  | Demat  | Physical      | Total             | % of Total Shares | Demat  | Physical      | Total            | % of Total Shares |                          |
| <b>A.</b>                | <b>PROMOTERS</b>   |  |               |                   |                   |  |               |                  |                   |                          |
| 1.                       | Indian   |  |               |                   |                   |  |               |                  |                   |                          |
|                          | a) Individual / HUF  | 67,420,141   | 0             | 67,420,141        | 30.40             | 67420141   | 0             | 67420141         | 30.40             | 0                        |
|                          | b) Central Government  | 0  | 0             | 0                 | 0                 | 0  | 0             | 0                | 0                 | 0                        |
|                          | c) State Government  | 0  | 0             | 0                 | 0                 | 0  | 0             | 0                | 0                 | 0                        |
|                          | d) Bodies Corporate  | 13,450,000   | 0             | 13,450,000        | 6.06              | 13450000   | 0             | 13450000         | 6.06              | 0                        |
|                          | e) Banks / Financial Institutions  | 0  | 0             | 0                 | 0                 | 0  | 0             | 0                | 0                 | 0                        |
|                          | f) Any Other   | 0  | 0             | 0                 | 0                 | 0  | 0             | 0                | 0                 | 0                        |
|                          | <b>Total shareholding of Promoter (A)</b>  | <b>80870141</b>  | <b>0</b>      | <b>80,870,141</b> | <b>36.46</b>      | <b>80870141</b>  | <b>0</b>      | <b>80870141</b>  | <b>36.46</b>      | <b>0</b>                 |
| <b>B.</b>                | <b>Public Shareholding</b>   |  |               |                   |                   |  |               |                  |                   |                          |
| 1.                       | Institutions   |  |               |                   |                   |  |               |                  |                   |                          |
|                          | a) Mutual Funds  | 193204   | 0             | 193204            | 0.09              | 77358  | 0             | 77358            | .04               | (0.05)                   |
|                          | b) Banks / FI  | 285,917  | 7,400         | 293,317           | 0.13              | 964196   | 7400          | 971596           | 0.44              | 0.31                     |
|                          | c) Central Govt  | 0  | 0             | 0                 | 0                 | 0  | 0             | 0                | 0                 | 0                        |
|                          | d) State Govt(s)   | 0  | 0             | 0                 | 0                 | 0  | 0             | 0                | 0                 | 0                        |
|                          | e) Venture Capital Funds   | 0  | 0             | 0                 | 0                 | 0  | 0             | 0                | 0                 | 0                        |
|                          | f) Insurance Companies   | 0  | 0             | 0                 | 0                 | 0  | 0             | 0                | 0                 | 0                        |
|                          | g) FIs   | 5  | 300           | 305               | 0                 | 5  | 300           | 305              | 0                 | 0                        |
|                          | h) Foreign Venture Capital Funds   | 0  | 0             | 0                 | 0                 | 0  | 0             | 0                | 0                 | 0                        |
|                          | i) Others (specify)  | 0  | 0             | 0                 | 0                 | 0  | 0             | 0                | 0                 | 0                        |
|                          | <b>Sub-total (B)(1):-</b>  | <b>479126</b>  | <b>7,700</b>  | <b>486,826</b>    | <b>.022</b>       | <b>1041559</b>   | <b>7700</b>   | <b>1049259</b>   | <b>0.47</b>       | <b>0.25</b>              |
| 2.                       | Non-Institutions   |  |               |                   |                   |  |               |                  |                   |                          |
| a)                       | Bodies Corporates  |  |               |                   |                   |  |               |                  |                   |                          |
|                          | i) Indian  | 14108867   | 29950         | 14138817          | 6.38              | 12401634   | 29950         | 12431584         | 5.61              | (0.77)                   |
|                          | ii) Overseas   | 9960345  | 0             | 9960345           | 4.49              | 9960345  | 0             | 9960345          | 4.49              | 0                        |
| b)                       | Individuals  |  |               |                   |                   |  |               |                  |                   |                          |
|                          | i) Individual shareholders holding nominal share capital upto Rs. 2 lakh         | 78,870,467   | 791,275       | 79661742          | 35.92             | 80756000   | 784508        | 81540508         | 36.77             | 0.85                     |
|                          | ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 33,551,564   | 0             | 33,551,564        | 15.13             | 32872939   | 0             | 32872939         | 14.82             | (0.31)                   |
| c)                       | Others (specify)   |  |               |                   |                   |  |               |                  |                   |                          |
|                          | Non Resident Indians   | 3050284  | 43853         | 3094137           | 1.40              | 2979844  | 43853         | 3023697          | 1.36              | (0.04)                   |
|                          | Trusts   | 1911   | 0             | 1911              | 0                 | 1611   | 0             | 1611             | 0                 | 0                        |
|                          | Corporate Societies  | 500  | 0             | 500               | 0                 | 0  | 0             | 0                | 0                 | 0                        |
|                          | NBFCs registered with RBI  | 0  | 0             | 0                 | 0                 | 15899  | 0             | 15899            | 0.01              | 0.01                     |
|                          | <b>Sub-total (B)(2):-</b>  | <b>139543938</b>   | <b>865078</b> | <b>140409016</b>  | <b>63.31</b>      | <b>138988272</b>   | <b>858311</b> | <b>139846583</b> | <b>63.06</b>      | <b>(0.25)</b>            |
|                          | <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>                              | <b>140023064</b>   | <b>872778</b> | <b>140895842</b>  | <b>63.53</b>      | <b>140029831</b>   | <b>866011</b> | <b>140895842</b> | <b>63.53</b>      | <b>0</b>                 |
| <b>C.</b>                | <b>Shares held by Custodian for GDRs &amp; ADRs</b>                              | <b>0</b>   | <b>0</b>      | <b>0</b>          | <b>0</b>          | <b>0</b>   | <b>0</b>      | <b>0</b>         | <b>0</b>          | <b>0</b>                 |
|                          | <b>Grand Total (A+B+C)</b>   | <b>220893205</b>   | <b>872778</b> | <b>221765983</b>  | <b>100</b>        | <b>220899972</b>   | <b>866011</b> | <b>221765983</b> | <b>100</b>        | <b>0</b>                 |

## B. Shareholding of Promoters

| Sr. No. | Shareholders Name                          | Shareholding at the Beginning of the year |                                  |  | Shareholding at the End of the Year |                                  |  | % Change in Shareholding During the Year |
|---------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|         |  | No. of Shares                             | % of total Shares of the company | % of Shares Pledged/encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |  |
|         | <b>Promoter</b>                            |   |                                  |  |                                     |                                  |  |  |
| 1       | Deepak Puri                                | 63013857                                  | 28.41                            | 28.41  | 63013857                            | 28.41                            | 28.41  | 0  |
| 2       | Deepak Puri HUF                            | 4406284                                   | 1.99                             | 1.99   | 4406284                             | 1.99                             | 1.99   | 0  |
|         | <b>Part of Promoter Group</b>              |   |                                  |  |                                     |                                  |  |  |
| 3       | Microgreen Electronics Private Limited     | 13450000                                  | 6.06                             | 0  | 13450000                            | 6.06                             | 0  | 0  |
|         | <b>Total (Promoter and Promoter Group)</b> | <b>80870141</b>                           | <b>36.46</b>                     | <b>30.4</b>                                    | <b>80870141</b>                     | <b>36.46</b>                     | <b>30.4</b>                                      | <b>0</b>                                 |

## C. Change in Promoters' Shareholding (please specify, if there is no change)

| SN | Name of the Shareholder | Shareholding at the beginning of the year as on 01.04.2016 |                                  | Date | Reason | Increase/Decrease in Shareholding |                                  | Cumulative Shareholding during the year |                                  |
|----|-------------------------|--|----------------------------------|------|--------|-----------------------------------|----------------------------------|---|----------------------------------|
|    |                         | No. of shares  | % of total shares of the Company |      |        | No. of Shares                     | % of total shares of the company | No. of shares                           | % of total shares of the Company |
|    |                         |  |                                  |      |        |                                   |                                  |   |                                  |

Note: There was no change in the holding of the promoter/ promoter group during the financial year ended 31st March, 2017

## (iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| S. No. | Shareholder's Name                 | PAN        | Shareholding   |                                  | Date       | Increase / Decrease in Share-holding | Reason   | Cumulative Shareholding during the year (31-03-16 to 31-03-17) |                                  |
|--------|------------------------------------|------------|--|----------------------------------|------------|--------------------------------------|----------|--|----------------------------------|
|        |                                    |            | No of Shares at the Beginning (31-03-16) /end of the Year (31-03-17) | % of total shares of the Company |            |                                      |          | Shares   | % of total shares of the Company |
| 1      | 2                                  | 3          | 4  | 5                                | 6          | 7                                    | 8        | 9  | 10                               |
| 1      | ELECTRA PARTNERS MAURITIUS LIMITED | AABCE7001R | 9960345<br>9960345   | 4.49<br>4.49                     | 31.03.2017 | NIL                                  | NIL      |  |                                  |
| 2      | STEEL CITY SECURITIES LIMITED      | AAECS0970L | 445785   | 0.20                             | 31.03.2016 |                                      |          |  |                                  |
|        |                                    |            |  |                                  | 08.04.2016 | 27036                                | Purchase | 472821   | 0.21                             |
|        |                                    |            |  |                                  | 15.04.2016 | (350)                                | Sale     | 472471   | 0.21                             |
|        |                                    |            |  |                                  | 22.04.2016 | 22925                                | Purchase | 495396   | 0.22                             |
|        |                                    |            |  |                                  | 29.04.2016 | 40683                                | Purchase | 536079   | 0.24                             |
|        |                                    |            |  |                                  | 06.05.2016 | (31537)                              | Sale     | 504542   | 0.23                             |
|        |                                    |            |  |                                  | 13.05.2016 | 51542                                | Purchase | 556084   | 0.25                             |
|        |                                    |            |  |                                  | 20.05.2016 | (3875)                               | Sale     | 552209   | 0.25                             |
|        |                                    |            |  |                                  | 27.05.2016 | (15700)                              | Sale     | 536509   | 0.24                             |
|        |                                    |            |  |                                  | 03.06.2016 | (20461)                              | Sale     | 516048   | 0.23                             |
|        |                                    |            |  |                                  | 10.06.2016 | 7344                                 | Purchase | 523392   | 0.24                             |
|        |                                    |            |  |                                  | 17.06.2016 | 5100                                 | Purchase | 528492   | 0.24                             |
|        |                                    |            |  |                                  | 24.06.2017 | (66200)                              | Sale     | 462292   | 0.21                             |
|        |                                    |            |  |                                  | 30.06.2016 | 800                                  | Purchase | 463092   | 0.21                             |
|        |                                    |            |  |                                  | 08.07.2016 | (57476)                              | Sale     | 405616   | 0.18                             |

| 1 | 2                            | 3          | 4       | 5    | 6           | 7        | 8        | 9       | 10   |
|---|------------------------------|------------|---------|------|-------------|----------|----------|---------|------|
|   |                              |            |         |      | 15.07.2016  | 2500     | Purchase | 408116  | 0.18 |
|   |                              |            |         |      | 22.07.2016  | (2400)   | Sale     | 405716  | 0.18 |
|   |                              |            |         |      | 29.07.2016  | (2600)   | Sale     | 403116  | 0.18 |
|   |                              |            |         |      | 05.08.2016  | (20210)  | Sale     | 382906  | 0.17 |
|   |                              |            |         |      | 19.08.2016  | 1300     | Purchase | 384206  | 0.17 |
|   |                              |            |         |      | 26.08.2016  | 21500    | Purchase | 405706  | 0.18 |
|   |                              |            |         |      | 02.09.2016  | (10085)  | Sale     | 395621  | 0.18 |
|   |                              |            |         |      | 09.09.2016  | 3700     | Purchase | 399321  | 0.18 |
|   |                              |            |         |      | 16.09.2016  | 4100     | Purchase | 403421  | 0.18 |
|   |                              |            |         |      | 23.09.2016  | 8425     | Purchase | 411846  | 0.19 |
|   |                              |            |         |      | 30.09.2016  | 4000     | Purchase | 415846  | 0.19 |
|   |                              |            |         |      | 07.10.2016  | 2450     | Purchase | 418296  | 0.19 |
|   |                              |            |         |      | 14.10.2016  | (5915)   | Sale     | 412381  | 0.19 |
|   |                              |            |         |      | 21.10.2016  | 3000     | Purchase | 415381  | 0.19 |
|   |                              |            |         |      | 28.10.2016  | 18300    | Purchase | 433681  | 0.20 |
|   |                              |            |         |      | 04.11.2016  | 59736    | Purchase | 493417  | 0.22 |
|   |                              |            |         |      | 11.11.2016  | (200)    | Sale     | 493217  | 0.22 |
|   |                              |            |         |      | 18.11.2016  | 3725     | Purchase | 496942  | 0.22 |
|   |                              |            |         |      | 25.11.2016  | (640)    | Sale     | 496302  | 0.22 |
|   |                              |            |         |      | 09.12.2016  | (7278)   | Sale     | 489024  | 0.22 |
|   |                              |            |         |      | 16.12.2016  | (800)    | Sale     | 488224  | 0.22 |
|   |                              |            |         |      | 23.12.2016  | (400)    | Sale     | 487824  | 0.22 |
|   |                              |            |         |      | 31.12.2016  | 300      | Purchase | 488124  | 0.22 |
|   |                              |            |         |      | 06.01.2017  | (2800)   | Sale     | 485324  | 0.22 |
|   |                              |            |         |      | 13.01.2017  | 1200     | Purchase | 486524  | 0.22 |
|   |                              |            |         |      | 27.01.2017  | 4929     | Purchase | 491453  | 0.22 |
|   |                              |            |         |      | 03.02.2017  | (12650)  | Sale     | 478803  | 0.22 |
|   |                              |            |         |      | 10.02.2017  | 6700     | Purchase | 485503  | 0.22 |
|   |                              |            |         |      | 17.02.2017  | (9967)   | Sale     | 475536  | 0.21 |
|   |                              |            |         |      | 24.02.2017  | 73100    | Purchase | 548636  | 0.25 |
|   |                              |            |         |      | 03.03.2017  | 4150     | Purchase | 552786  | 0.25 |
|   |                              |            |         |      | 10.03.2017  | 189000   | Purchase | 741786  | 0.33 |
|   |                              |            |         |      | 17.03.2017  | (4000)   | Sale     | 737786  | 0.33 |
|   |                              |            |         |      | 24.03.2017  | 77750    | Purchase | 815536  | 0.37 |
|   |                              |            | 818036  | 0.37 | 31.03.2017  | 2500     | Purchase |         |      |
| 3 | VANDANA BHARGAWA             | AIHPB8701C | 800000  | 0.36 | 31.03.2.016 |          |          |         |      |
|   |                              |            | 800000  | 0.36 | 31.03.2017  | NIL      | NIL      |         |      |
| 4 | ASHOK KUMAR BHARGAVA         | AEZPB8848Q | 1300000 | 0.59 | 31.03.2016  |          |          |         |      |
|   |                              |            |         |      | 10.02.2017  | (266849) | Sale     | 1033151 | 0.47 |
|   |                              |            |         |      | 17.02.2017  | (148781) | Sale     | 884370  | 0.40 |
|   |                              |            |         |      | 24.02.2017  | (129000) | Sale     | 755370  | 0.34 |
|   |                              |            |         |      | 03.03.2017  | (55971)  | Sale     | 699399  | 0.32 |
|   |                              |            | 689399  | 0.31 | 31.03.2017  |          |          |         |      |
| 5 | KARVY STOCK BROKING LTD(BSE) | AABCK5190K | 500000  | 0.23 | 31.03.2016  |          |          |         |      |
|   |                              |            |         |      | 24.06.2016  | 179500   | Purchase | 679500  | 0.31 |
|   |                              |            | 679500  | 0.31 | 31.03.2017  |          |          |         |      |
| 6 | DIPESH OMPRAKASH SARAF       | AZXP59268G | 500000  | 0.23 | 31.03.2016  |          |          |         |      |
|   |                              |            | 500000  | 0.23 | 31.03.2017  | NIL      | NIL      |         |      |
| 7 | AXIS BANK LIMITED            | AAACU2414K | 93012   | 0.04 | 31.03.2016  |          |          |         |      |
|   |                              |            |         |      | 30.06.2016  | 54000    | Purchase | 147012  | 0.07 |
|   |                              |            |         |      | 15.07.2016  | (9000)   | Sale     | 138012  | 0.06 |
|   |                              |            |         |      | 22.07.2016  | 22412    | Purchase | 160424  | 0.07 |
|   |                              |            |         |      | 19.08.2016  | 12600    | Purchase | 173024  | 0.08 |
|   |                              |            |         |      | 26.08.2016  | (3420)   | Sale     | 169604  | 0.08 |
|   |                              |            |         |      | 09.09.2016  | 4810     | Purchase | 174414  | 0.08 |
|   |                              |            |         |      | 23.09.2016  | 8998     | Purchase | 183412  | 0.08 |
|   |                              |            |         |      | 30.09.2016  | (5700)   | Sale     | 177712  | 0.08 |
|   |                              |            |         |      | 07.10.2016  | 80494    | Purchase | 258206  | 0.12 |
|   |                              |            |         |      | 11.11.2016  | 228841   | Purchase | 487047  | 0.22 |
|   |                              |            |         |      | 18.11.2016  | (6900)   | Sale     | 480147  | 0.22 |
|   |                              |            |         |      | 25.11.2016  | (600)    | Sale     | 479547  | 0.22 |

| 1  | 2                        | 3          | 4      | 5    | 6          | 7       | 8        | 9      | 10   |
|----|--------------------------|------------|--------|------|------------|---------|----------|--------|------|
|    |                          |            |        |      | 02.12.2016 | (2030)  | Sale     | 477517 | 0.22 |
|    |                          |            |        |      | 09.12.2016 | 11620   | Purchase | 489137 | 0.22 |
|    |                          |            |        |      | 23.12.2016 | 42878   | Purchase | 532015 | 0.24 |
|    |                          |            |        |      | 31.12.2016 | 2500    | Purchase | 534515 | 0.24 |
|    |                          |            |        |      | 06.01.2017 | (20000) | Sale     | 514515 | 0.23 |
|    |                          |            |        |      | 31.01.2017 | (2050)  | Sale     | 512465 | 0.23 |
|    |                          |            |        |      | 03.02.2017 | (17000) | Sale     | 495465 | 0.22 |
|    |                          |            |        |      | 10.02.2017 | 64833   | Purchase | 560298 | 0.25 |
|    |                          |            |        |      | 17.02.2017 | (10000) | Sale     | 550298 | 0.25 |
|    |                          |            |        |      | 03.03.2017 | 13010   | Purchase | 563308 | 0.25 |
|    |                          |            |        |      | 10.03.2017 | (35000) | Sale     | 528308 | 0.24 |
|    |                          |            |        |      | 24.03.2017 | (29974) | Sale     | 498334 | 0.22 |
|    |                          |            | 498334 | 0.22 | 31.03.2017 |         |          |        |      |
| 8  | MARIO OSCAR FRANCIS LOBO | AAAPL8426H | 474636 | 0.21 | 31.03.2016 |         |          |        |      |
|    |                          |            | 474636 | 0.21 | 31.03.2017 | NIL     | NIL      |        |      |
| 9  | AXIS BANK LIMITED        | AAACU2414K | 192368 | 0.09 | 31.03.2016 |         |          |        |      |
|    |                          |            |        |      | 23.09.2016 | (350)   | Sale     | 192018 | 0.09 |
|    |                          |            |        |      | 30.09.2016 | (450)   | Sale     | 191568 | 0.09 |
|    |                          |            |        |      | 28.10.2016 | 201229  | Purchase | 392797 | 0.18 |
|    |                          |            |        |      | 18.11.2016 | (1550)  | Sale     | 391247 | 0.18 |
|    |                          |            |        |      | 25.11.2016 | (2200)  | Sale     | 389047 | 0.18 |
|    |                          |            |        |      | 02.12.2016 | 18282   | Purchase | 407329 | 0.18 |
|    |                          |            |        |      | 23.12.2016 | (330)   | Sale     | 406999 | 0.18 |
|    |                          |            |        |      | 06.01.2017 | (4800)  | Sale     | 402199 | 0.18 |
|    |                          |            |        |      | 13.01.2017 | (99260) | Sale     | 302939 | 0.14 |
|    |                          |            |        |      | 17.02.2017 | (750)   | Sale     | 302189 | 0.14 |
|    |                          |            |        |      | 17.03.2017 | 163136  | Purchase | 465325 | 0.21 |
|    |                          |            | 465325 | 0.21 | 31.03.2017 |         |          |        |      |
| 10 | JASVANT A. PARIKH        | AACPP4598E | 238450 | 0.11 | 31.03.2016 |         |          |        |      |
|    |                          |            |        |      | 06.01.2017 | 200000  | Purchase | 438450 | 0.20 |
|    |                          |            | 438450 | 0.20 | 31.03.2017 |         |          |        |      |
| 11 | BONANZA PORTFOLIO LTD    | AAACB0764B | 357734 | 0.16 | 31.03.2016 |         |          |        |      |
|    |                          |            |        |      | 08.04.2016 | 9450    | Purchase | 367184 | 0.17 |
|    |                          |            |        |      | 15.04.2016 | 12180   | Purchase | 379364 | 0.17 |
|    |                          |            |        |      | 22.04.2016 | (30514) | Sale     | 348850 | 0.16 |
|    |                          |            |        |      | 29.04.2016 | (15750) | Sale     | 333100 | 0.15 |
|    |                          |            |        |      | 06.05.2016 | (12445) | Sale     | 320655 | 0.14 |
|    |                          |            |        |      | 13.05.2016 | (60)    | Sale     | 320595 | 0.14 |
|    |                          |            |        |      | 20.05.2016 | 130     | Purchase | 320725 | 0.14 |
|    |                          |            |        |      | 27.05.2016 | 51350   | Purchase | 372075 | 0.17 |
|    |                          |            |        |      | 03.06.2016 | (46700) | Sale     | 325375 | 0.15 |
|    |                          |            |        |      | 10.06.2016 | 936     | Purchase | 326311 | 0.15 |
|    |                          |            |        |      | 17.06.2016 | 30110   | Purchase | 356421 | 0.16 |
|    |                          |            |        |      | 24.06.2016 | (16149) | Sale     | 340272 | 0.15 |
|    |                          |            |        |      | 30.06.2016 | (23554) | Sale     | 316718 | 0.14 |
|    |                          |            |        |      | 08.07.2016 | 71799   | Purchase | 388517 | 0.18 |
|    |                          |            |        |      | 15.07.2016 | (21421) | Sale     | 367096 | 0.17 |
|    |                          |            |        |      | 22.07.2016 | 11150   | Purchase | 378246 | 0.17 |
|    |                          |            |        |      | 29.07.2016 | 43305   | Purchase | 421551 | 0.19 |
|    |                          |            |        |      | 05.08.2016 | (43150) | Sale     | 378401 | 0.17 |
|    |                          |            |        |      | 12.08.2016 | 4050    | Purchase | 382451 | 0.17 |
|    |                          |            |        |      | 19.08.2016 | 21400   | Purchase | 403851 | 0.18 |
|    |                          |            |        |      | 26.08.2016 | (400)   | Sale     | 403451 | 0.18 |
|    |                          |            |        |      | 02.09.2016 | (2400)  | Sale     | 401051 | 0.18 |
|    |                          |            |        |      | 09.09.2016 | (5750)  | Sale     | 395301 | 0.18 |
|    |                          |            |        |      | 16.09.2016 | 51951   | Purchase | 447252 | 0.20 |
|    |                          |            |        |      | 23.09.2016 | (30499) | Sale     | 416753 | 0.19 |
|    |                          |            |        |      | 30.09.2016 | (27927) | Sale     | 388826 | 0.18 |
|    |                          |            |        |      | 07.10.2016 | (2400)  | Sale     | 386426 | 0.17 |
|    |                          |            |        |      | 14.10.2016 | 12600   | Purchase | 399026 | 0.18 |

| 1  | 2                       | 3          | 4      | 5    | 6          | 7        | 8        | 9      | 10   |
|----|-------------------------|------------|--------|------|------------|----------|----------|--------|------|
|    |                         |            |        |      | 21.10.2016 | (4332)   | Sale     | 394694 | 0.18 |
|    |                         |            |        |      | 28.10.2016 | (8052)   | Sale     | 386642 | 0.17 |
|    |                         |            |        |      | 04.11.2016 | 18125    | Purchase | 404767 | 0.18 |
|    |                         |            |        |      | 11.11.2016 | (43632)  | Sale     | 361135 | 0.16 |
|    |                         |            |        |      | 18.11.2016 | (7284)   | Sale     | 353851 | 0.16 |
|    |                         |            |        |      | 25.11.2016 | (23379)  | Sale     | 330472 | 0.15 |
|    |                         |            |        |      | 02.12.2016 | 7302     | Purchase | 337774 | 0.15 |
|    |                         |            |        |      | 09.12.2016 | 1100     | Purchase | 338874 | 0.15 |
|    |                         |            |        |      | 16.12.2016 | (2850)   | Sale     | 336024 | 0.15 |
|    |                         |            |        |      | 23.12.2016 | (16470)  | Sale     | 319554 | 0.14 |
|    |                         |            |        |      | 31.12.2016 | (1375)   | Sale     | 318179 | 0.14 |
|    |                         |            |        |      | 06.01.2017 | (250)    | Sale     | 317929 | 0.14 |
|    |                         |            |        |      | 13.01.2017 | (400)    | Sale     | 317529 | 0.14 |
|    |                         |            |        |      | 20.01.2017 | (1550)   | Sale     | 315979 | 0.14 |
|    |                         |            |        |      | 27.01.2017 | 16817    | Purchase | 332796 | 0.15 |
|    |                         |            |        |      | 03.02.2017 | (1043)   | Sale     | 331753 | 0.15 |
|    |                         |            |        |      | 10.02.2017 | (6320)   | Sale     | 325433 | 0.15 |
|    |                         |            |        |      | 17.02.2017 | 11250    | Purchase | 336683 | 0.15 |
|    |                         |            |        |      | 24.02.2017 | 16400    | Purchase | 353083 | 0.16 |
|    |                         |            |        |      | 03.03.2017 | 11115    | Purchase | 364198 | 0.16 |
|    |                         |            |        |      | 10.03.2017 | (35000)  | Sale     | 329198 | 0.15 |
|    |                         |            |        |      | 17.03.2017 | (4597)   | Sale     | 324601 | 0.15 |
|    |                         |            |        |      | 24.03.2017 | 8651     | Purchase | 333252 | 0.15 |
|    |                         |            | 329952 | 0.15 | 31.03.2017 | (3300)   | Sale     |        |      |
| 12 | ABHAY KUMAR JHA#        | AAMPJ7665G | 0      | 0.00 | 31.03.2016 |          |          |        |      |
|    |                         |            |        |      | 08.07.2016 | 271198   | Purchase | 271198 | 0.12 |
|    |                         |            |        |      | 15.07.2016 | 7000     | Purchase | 278198 | 0.13 |
|    |                         |            |        |      | 29.07.2016 | 2000     | Purchase | 280198 | 0.13 |
|    |                         |            |        |      | 05.08.2016 | 5000     | Purchase | 285198 | 0.13 |
|    |                         |            |        |      | 12.08.2016 | 5000     | Purchase | 290198 | 0.13 |
|    |                         |            |        |      | 30.09.2016 | 500      | Purchase | 290698 | 0.13 |
|    |                         |            |        |      | 21.10.2016 | 5000     | Purchase | 295698 | 0.13 |
|    |                         |            |        |      | 04.11.2016 | (28100)  | Sale     | 267598 | 0.12 |
|    |                         |            |        |      | 11.11.2016 | 1        | Purchase | 267599 | 0.12 |
|    |                         |            |        |      | 18.11.2016 | 10500    | Purchase | 278099 | 0.13 |
|    |                         |            |        |      | 16.12.2016 | 4107     | Purchase | 282206 | 0.13 |
|    |                         |            |        |      | 13.01.2017 | (20500)  | Sale     | 261706 | 0.12 |
|    |                         |            |        |      | 20.01.2017 | (25000)  | Sale     | 236706 | 0.11 |
|    |                         |            |        |      | 17.02.2017 | 12500    | Purchase | 249206 | 0.11 |
|    |                         |            |        |      | 10.03.2017 | 20000    | Purchase | 269206 | 0.12 |
|    |                         |            |        |      | 17.03.2017 | 50000    | Purchase | 319206 | 0.14 |
|    |                         |            | 319206 | 0.14 | 31.03.2017 |          |          |        |      |
| 13 | KARVY STOCK BROKING LTD | AABCK5190K | 345058 | 0.16 | 31.03.2016 |          |          |        |      |
|    |                         |            |        |      | 08.04.2016 | (11181)  | Sale     | 333877 | 0.15 |
|    |                         |            |        |      | 15.04.2016 | 17382    | Purchase | 351259 | 0.16 |
|    |                         |            |        |      | 22.04.2016 | 926      | Purchase | 352185 | 0.16 |
|    |                         |            |        |      | 29.04.2016 | (3754)   | Sale     | 348431 | 0.16 |
|    |                         |            |        |      | 06.05.2016 | (4945)   | Sale     | 343486 | 0.15 |
|    |                         |            |        |      | 13.05.2016 | 2095     | Purchase | 345581 | 0.16 |
|    |                         |            |        |      | 20.05.2016 | 13515    | Purchase | 359096 | 0.16 |
|    |                         |            |        |      | 27.05.2016 | (163390) | Sale     | 195706 | 0.09 |
|    |                         |            |        |      | 03.06.2016 | (5238)   | Sale     | 190468 | 0.09 |
|    |                         |            |        |      | 10.06.2016 | (10057)  | Sale     | 180411 | 0.08 |
|    |                         |            |        |      | 17.06.2016 | (12141)  | Sale     | 168270 | 0.08 |
|    |                         |            |        |      | 24.06.2016 | 1067     | Purchase | 169337 | 0.08 |
|    |                         |            |        |      | 30.06.2016 | (65248)  | Sale     | 104089 | 0.05 |
|    |                         |            |        |      | 08.07.2016 | 14198    | Purchase | 118287 | 0.05 |
|    |                         |            |        |      | 15.07.2016 | 17695    | Purchase | 135982 | 0.06 |
|    |                         |            |        |      | 22.07.2016 | (13280)  | Sale     | 122702 | 0.06 |
|    |                         |            |        |      | 29.07.2016 | 10720    | Purchase | 133422 | 0.06 |
|    |                         |            |        |      | 05.08.2016 | 5594     | Purchase | 139016 | 0.06 |

| 1  | 2                               | 3          | 4      | 5    | 6          | 7        | 8        | 9      | 10   |
|----|---------------------------------|------------|--------|------|------------|----------|----------|--------|------|
|    |                                 |            |        |      | 12.08.2016 | 6918     | Purchase | 145934 | 0.07 |
|    |                                 |            |        |      | 19.08.2016 | 13209    | Purchase | 159143 | 0.07 |
|    |                                 |            |        |      | 26.08.2016 | 6902     | Purchase | 166045 | 0.07 |
|    |                                 |            |        |      | 02.09.2016 | 10430    | Purchase | 176475 | 0.08 |
|    |                                 |            |        |      | 09.09.2016 | (2268)   | Sale     | 174207 | 0.08 |
|    |                                 |            |        |      | 16.09.2016 | 6494     | Purchase | 180701 | 0.08 |
|    |                                 |            |        |      | 23.09.2016 | (8097)   | Sale     | 172604 | 0.08 |
|    |                                 |            |        |      | 30.09.2016 | (8222)   | Sale     | 164382 | 0.07 |
|    |                                 |            |        |      | 07.10.2016 | 8196     | Purchase | 172578 | 0.08 |
|    |                                 |            |        |      | 14.10.2016 | (2650)   | Sale     | 169928 | 0.08 |
|    |                                 |            |        |      | 21.10.2016 | (9845)   | Sale     | 160083 | 0.07 |
|    |                                 |            |        |      | 28.10.2016 | (27748)  | Sale     | 132335 | 0.06 |
|    |                                 |            |        |      | 04.11.2016 | (25557)  | Sale     | 106778 | 0.05 |
|    |                                 |            |        |      | 11.11.2016 | 11370    | Purchase | 118148 | 0.05 |
|    |                                 |            |        |      | 18.11.2016 | 12000    | Purchase | 130148 | 0.06 |
|    |                                 |            |        |      | 25.11.2016 | 13676    | Purchase | 143824 | 0.06 |
|    |                                 |            |        |      | 02.12.2016 | (889)    | Sale     | 142935 | 0.06 |
|    |                                 |            |        |      | 09.12.2016 | 635      | Purchase | 143570 | 0.06 |
|    |                                 |            |        |      | 16.12.2016 | (4254)   | Sale     | 139316 | 0.06 |
|    |                                 |            |        |      | 23.12.2016 | (3944)   | Sale     | 135372 | 0.06 |
|    |                                 |            |        |      | 31.12.2016 | 1487     | Purchase | 136859 | 0.06 |
|    |                                 |            |        |      | 06.01.2017 | (9276)   | Sale     | 127583 | 0.06 |
|    |                                 |            |        |      | 13.01.2017 | (4528)   | Sale     | 123055 | 0.06 |
|    |                                 |            |        |      | 20.01.2017 | 2465     | Purchase | 125520 | 0.06 |
|    |                                 |            |        |      | 27.01.2017 | (24443)  | Sale     | 101077 | 0.05 |
|    |                                 |            |        |      | 03.02.2017 | 3552     | Purchase | 104629 | 0.05 |
|    |                                 |            |        |      | 10.02.2017 | 42999    | Purchase | 147628 | 0.07 |
|    |                                 |            |        |      | 17.02.2017 | (12853)  | Sale     | 134775 | 0.06 |
|    |                                 |            |        |      | 24.02.2017 | 25848    | Purchase | 160623 | 0.07 |
|    |                                 |            |        |      | 03.03.2017 | 2368     | Purchase | 162991 | 0.07 |
|    |                                 |            |        |      | 10.03.2017 | (3785)   | Sale     | 159206 | 0.07 |
|    |                                 |            |        |      | 17.03.2017 | 507      | Purchase | 159713 | 0.07 |
|    |                                 |            |        |      | 24.03.2017 | (8373)   | Sale     | 151340 | 0.07 |
|    |                                 |            | 142245 | 0.06 | 31.03.2017 | (9095)   | Sale     |        |      |
| 14 | SHRI PARASRAM HOLDINGS PVT.LTD. | AAACS4487J | 598071 | 0.27 | 31.03.2016 |          |          |        |      |
|    |                                 |            |        |      | 08.04.2016 | 1175     | Purchase | 599246 | 0.27 |
|    |                                 |            |        |      | 15.04.2016 | (400)    | Sale     | 598846 | 0.27 |
|    |                                 |            |        |      | 22.04.2016 | 1755     | Purchase | 600601 | 0.27 |
|    |                                 |            |        |      | 29.04.2016 | 12921    | Purchase | 613522 | 0.28 |
|    |                                 |            |        |      | 06.05.2016 | (8703)   | Sale     | 604819 | 0.27 |
|    |                                 |            |        |      | 13.05.2016 | (2150)   | Sale     | 602669 | 0.27 |
|    |                                 |            |        |      | 20.05.2016 | (1050)   | Sale     | 601619 | 0.27 |
|    |                                 |            |        |      | 27.05.2016 | (2905)   | Sale     | 598714 | 0.27 |
|    |                                 |            |        |      | 03.06.2016 | 4000     | Purchase | 602714 | 0.27 |
|    |                                 |            |        |      | 10.06.2016 | 1410     | Purchase | 604124 | 0.27 |
|    |                                 |            |        |      | 17.06.2016 | (23594)  | Sale     | 580530 | 0.26 |
|    |                                 |            |        |      | 24.06.2016 | (439)    | Sale     | 580091 | 0.26 |
|    |                                 |            |        |      | 30.06.2016 | (2916)   | Sale     | 577175 | 0.26 |
|    |                                 |            |        |      | 08.07.2016 | (4521)   | Sale     | 572654 | 0.26 |
|    |                                 |            |        |      | 15.07.2016 | (1275)   | Sale     | 571379 | 0.26 |
|    |                                 |            |        |      | 22.07.2016 | 2625     | Purchase | 574004 | 0.26 |
|    |                                 |            |        |      | 29.07.2016 | 125      | Purchase | 574129 | 0.26 |
|    |                                 |            |        |      | 05.08.2016 | (1405)   | Sale     | 572724 | 0.26 |
|    |                                 |            |        |      | 12.08.2016 | 4280     | Purchase | 577004 | 0.26 |
|    |                                 |            |        |      | 19.08.2016 | (1250)   | Sale     | 575754 | 0.26 |
|    |                                 |            |        |      | 26.08.2016 | 13730    | Purchase | 589484 | 0.27 |
|    |                                 |            |        |      | 02.09.2016 | (9605)   | Sale     | 579879 | 0.26 |
|    |                                 |            |        |      | 09.09.2016 | (200030) | Sale     | 379849 | 0.17 |
|    |                                 |            |        |      | 16.09.2016 | (30110)  | Sale     | 349739 | 0.16 |
|    |                                 |            |        |      | 23.09.2016 | (96850)  | Sale     | 252889 | 0.11 |

| 1  | 2                     | 3          | 4       | 5    | 6          | 7        | 8        | 9       | 10   |
|----|-----------------------|------------|---------|------|------------|----------|----------|---------|------|
|    |                       |            |         |      | 30.09.2016 | (36868)  | Sale     | 216021  | 0.10 |
|    |                       |            |         |      | 07.10.2016 | (1580)   | Sale     | 214441  | 0.10 |
|    |                       |            |         |      | 14.10.2016 | 3850     | Purchase | 218291  | 0.10 |
|    |                       |            |         |      | 21.10.2016 | (2700)   | Sale     | 215591  | 0.10 |
|    |                       |            |         |      | 28.10.2016 | 3110     | Purchase | 218701  | 0.10 |
|    |                       |            |         |      | 04.11.2016 | 4195     | Purchase | 222896  | 0.10 |
|    |                       |            |         |      | 11.11.2016 | 7011     | Purchase | 229907  | 0.10 |
|    |                       |            |         |      | 18.11.2016 | (7425)   | Sale     | 222482  | 0.10 |
|    |                       |            |         |      | 25.11.2016 | 2500     | Purchase | 224982  | 0.10 |
|    |                       |            |         |      | 02.12.2016 | (6640)   | Sale     | 218342  | 0.10 |
|    |                       |            |         |      | 09.12.2016 | (4060)   | Sale     | 214282  | 0.10 |
|    |                       |            |         |      | 16.12.2016 | (1487)   | Sale     | 212795  | 0.10 |
|    |                       |            |         |      | 23.12.2016 | (800)    | Sale     | 211995  | 0.10 |
|    |                       |            |         |      | 31.12.2016 | (26816)  | Sale     | 185179  | 0.08 |
|    |                       |            |         |      | 06.01.2017 | (2000)   | Sale     | 183179  | 0.08 |
|    |                       |            |         |      | 13.01.2017 | (6744)   | Sale     | 176435  | 0.08 |
|    |                       |            |         |      | 20.01.2017 | 6575     | Purchase | 183010  | 0.08 |
|    |                       |            |         |      | 27.01.2017 | (2000)   | Sale     | 181010  | 0.08 |
|    |                       |            |         |      | 03.02.2017 | (3605)   | Sale     | 177405  | 0.08 |
|    |                       |            |         |      | 10.02.2017 | 8655     | Purchase | 186060  | 0.08 |
|    |                       |            |         |      | 17.02.2017 | 2126     | Purchase | 188186  | 0.08 |
|    |                       |            |         |      | 24.02.2017 | 328      | Purchase | 188514  | 0.09 |
|    |                       |            |         |      | 03.03.2017 | 19092    | Purchase | 207606  | 0.09 |
|    |                       |            |         |      | 10.03.2017 | (5230)   | Sale     | 202376  | 0.09 |
|    |                       |            |         |      | 17.03.2017 | 1459     | Purchase | 203835  | 0.09 |
|    |                       |            |         |      | 24.03.2017 | (7910)   | Sale     | 195925  | 0.09 |
|    |                       |            | 134860  | 0.06 | 31.03.2017 | (61065)  | Sale     |         |      |
| 15 | REENA DEEPAK PARTANI* | AJIPP0827D | 1075000 | 0.48 | 31.03.2016 |          |          |         |      |
|    |                       |            |         |      | 22.04.2016 | 1000     | Purchase | 1076000 | 0.49 |
|    |                       |            |         |      | 29.04.2016 | 4000     | Purchase | 1080000 | 0.49 |
|    |                       |            |         |      | 10.06.2016 | (230000) | Sale     | 850000  | 0.38 |
|    |                       |            |         |      | 30.06.2016 | (35000)  | Sale     | 815000  | 0.37 |
|    |                       |            |         |      | 22.07.2016 | (15000)  | Sale     | 800000  | 0.36 |
|    |                       |            |         |      | 29.07.2016 | (150000) | Sale     | 650000  | 0.29 |
|    |                       |            |         |      | 05.08.2016 | (50000)  | Sale     | 600000  | 0.27 |
|    |                       |            |         |      | 12.08.2016 | (275000) | Sale     | 325000  | 0.15 |
|    |                       |            |         |      | 19.08.2016 | (75000)  | Sale     | 250000  | 0.11 |
|    |                       |            |         |      | 26.08.2016 | (250000) | Sale     | 0       | 0    |
|    |                       |            | 0       | 0    | 20170331   |          |          |         |      |

Note

\*Ceased to be in the list of top 10 as on 31.03.2017. The same is reflected above since the shareholder was one of the top 10 shareholders as on 31.03.2016

# Not in the list of Top 10 shareholders as on 31.03.2016. The same has been reflected above since the shareholder was one of the Top 10 Shareholders as on 31.03.2017

E. Shareholding of Directors and Key Managerial Personnel:

| S. No. | Shareholding of each Directors and each Key Managerial Personnel  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding During the Year |                                  |
|--------|---|---|----------------------------------|---|----------------------------------|
|        |   | No. of Shares                             | % of Total Shares of the Company | No of shares                            | % of Total Shares of the Company |
| 1      | At the beginning of the year  |   |                                  |   |                                  |
|        | Deepak Puri   | 63013857                                  | 28.41                            | 63013857                                | 28.41                            |
|        | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | -   | -                                |   |                                  |
|        | At the end of the year  | 63013857                                  | 28.41                            | 63013857                                | 28.41                            |

## V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

| Particulars  | Secured Loans excluding deposits | Unsecured Loans    | Deposits | Total Indebtedness    |
|--|----------------------------------|--------------------|----------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                    |          |                       |
| i) Principal Amount  | 18,48,57,43,053                  | 6,45,00,000        | -        | 18,550,243,053        |
| ii) Interest due but not paid                              | 3,32,33,17,829                   | -                  |          | 3,323,317,829         |
| iii) Interest accrued but not due                          | -                                | -                  |          |                       |
| <b>Total (i+ii+iii)</b>                                    | <b>21,80,90,60,882</b>           | <b>6,45,00,000</b> | <b>-</b> | <b>21,873,560,882</b> |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                    |          |                       |
| * Addition   | 1,98,57,73,117                   | 1,80,00,000        | -        | 2,003,773,117         |
| * Reduction  | (50,80,33,478)                   |                    |          | (508,033,478)         |
| <b>Net Change</b>  | <b>1,47,77,39,639</b>            | <b>1,80,00,000</b> | <b>-</b> | <b>1,495,739,639</b>  |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                    |          |                       |
| i) Principal Amount  | 17,97,77,09,575                  | 8,25,00,000        | -        | 18,060,209,575        |
| ii) Interest due but not paid                              | 5,30,90,90,946                   |                    |          | 5,309,090,946         |
| iii) Interest accrued but not due                          | -                                | -                  |          | -                     |
| <b>Total (i+ii+iii)</b>                                    | <b>23,28,68,00,521</b>           | <b>8,25,00,000</b> | <b>-</b> | <b>23,369,300,521</b> |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

| Sr. No. | Particulars of Remuneration   | Name of MD/WTD/ Manager |                  | Total Amount       |
|---------|---|-------------------------|------------------|--------------------|
|         |   | Mr. Deepak Puri         | Mrs. Nita Puri   |                    |
| 1       | Gross salary  |                         |                  |                    |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1,19,70,000             | 37,80,180        | 1,57,50,180        |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | Nil                     | Nil              | Nil                |
|         | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | Nil                     | Nil              | Nil                |
| 2       | Stock Option  | Nil                     | Nil              | Nil                |
| 3       | Sweat Equity  | Nil                     | Nil              | Nil                |
| 4       | Commission<br>- as % of profit<br>- others, specify...                              | Nil                     | Nil              | Nil                |
| 5       | Others, please specify  |                         |                  |                    |
|         | Mediclaime and Group Accident Insurance Premium                                     |                         |                  |                    |
|         | <b>Total (A)</b>  | <b>1,19,70,000</b>      | <b>37,80,180</b> | <b>1,57,50,180</b> |
|         | Ceiling as per the Act  | 11% of the net Profit   |                  |                    |

### B. Remuneration to other directors

(Amount in Rs.)

| SN. | Particulars of Remuneration                 | Name of Directors |                  |                  | Total Amount    |
|-----|---|-------------------|------------------|------------------|-----------------|
|     |   | Mr.Sanjay Jain    | Mr.Samrsh Bhanja | Mr.Vineet Sharma |                 |
| 1   | Independent Directors                       |                   |                  |                  |                 |
|     | Fee for attending board /committee meetings | 2,10,000          | 2,10,000         | 1,60,000         | 5,80,000        |
|     | Commission                                  | -                 | -                | -                |                 |
|     | Others, please specify                      | -                 | -                | -                |                 |
|     | <b>Total (1)</b>                            | <b>2,10,000</b>   | <b>2,10,000</b>  | <b>1,60,000</b>  | <b>5,80,000</b> |



|   |  |                          |          |          |          |
|---|--|--------------------------|----------|----------|----------|
| 2 | Other Non-Executive Directors              | NA                       |          |          | NA       |
|   | Fee for attending board committee meetings |                          |          |          |          |
|   | Commission                                 |                          |          |          |          |
|   | Others, please specify                     |                          |          |          |          |
|   | Total (2)                                  |                          |          |          |          |
|   | Total (B)=(1+2)                            |                          |          |          |          |
|   | Total Managerial Remuneration              | 2,10,000                 | 2,10,000 | 1,60,000 | 5,80,000 |
|   | Overall Ceiling as per the Act             | 1,00,000 per meeting fee |          |          |          |

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| SN | Particulars of Remuneration   | Key Managerial Personnel |           |             |             |
|----|---|--------------------------|-----------|-------------|-------------|
|    |   | CEO                      | CS        | CFO         | Total       |
| 1  | Gross salary  | NA                       |           |             |             |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -                        | 37,57,197 | 1,27,25,920 | 1,64,83,117 |
|    | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                        | -         | -           | -           |
|    | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                        | -         | -           | -           |
| 2  | Stock Option  | -                        | -         | -           | -           |
| 3  | Sweat Equity  | -                        | -         | -           | -           |
| 4  | Commission<br>- as % of profit<br>- others, specify...                              | -                        | -         | -           | -           |
| 5  | Others, please specify  | -                        | -         | -           | -           |
|    | Total   | -                        | 37,57,197 | 1,27,25,920 | 1,64,83,117 |

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NA

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty/ punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|--|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                              |                                    |
| Penalty                             | -                            | -                 | -  | -                            | -                                  |
| Punishment                          | -                            | -                 | -  | -                            | -                                  |
| Compounding                         | -                            | -                 | -  | -                            | -                                  |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                              |                                    |
| Penalty                             | -                            | -                 | -  | -                            | -                                  |
| Punishment                          | -                            | -                 | -  | -                            | -                                  |
| Compounding                         | -                            | -                 | -  | -                            | -                                  |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                              |                                    |
| Penalty                             | -                            | -                 | -  | -                            | -                                  |
| Punishment                          | -                            | -                 | -  | -                            | -                                  |
| Compounding                         | -                            | -                 | -  | -                            | -                                  |

## MANAGEMENT DISCUSSION & ANALYSIS

### INTRODUCTION

The year ending March 31, 2017 continued to be a challenging year for Moser Baer. The Company continued on its path to recovery, building upon key initiatives of the Government of India, including the "Make in India" initiative, the Energy Efficiency drive and the National Solar Mission, however it has been severely constrained on account of liquidity.

As per IMF's World Economic Outlook (April 2017) report, the world economy gained speed in the fourth quarter of 2016 and the momentum is expected to persist. With buoyant financial markets and a long-awaited cyclical recovery in manufacturing and trade under way, world growth is projected to rise from 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018. But binding structural impediments continue to hold back a stronger recovery, and the balance of risks remains tilted to the downside, especially over the medium term.

#### Company Overview

For the year ended March 31, 2017 Moser Baer continued to witness financial constraints and internal challenges that impacted its operating performance. The Company has been constantly working on consolidation measures and restructuring of operations with the objective of re-aligning priorities, resources and capabilities to succeed in the identified areas of growth.

For the year ended March 31, 2017:

- Total Income: The total income from operations for the twelve months ended March 31, 2017 was INR 5,610 million on a standalone basis;
- Cash and Liquidity: Net cash flows from operating activities stood at INR 251 million;
- Net Loss: The Company made a net loss of INR 11,140 million, inclusive of exceptional items amounting to INR 8,034 million

In the Storage Media business, liquidity challenges continued to persist impacting operations during the financial year under consideration along with the effects of demonetization. While ASPs held strong during the year, the volumes were negatively impacted. However, the Company has been consistently working on improving cost efficiencies across the entire value chain. Moser Baer's Storage Media business undertook several steps that were aimed at lowering the operating costs and aligning manpower, cash flows and other resources to the current levels of operations.

Moser Baer continues to focus on its key strengths - wide geographic presence across the world, broad product portfolio across all formats, strong focus on quality and a strong distributor network and is thus well placed to target the market opportunities even in the mature phase of the industry.

Regulatory action by the Government of India against dumping of USB drives by players from select industry and the support of a key OEM customer has allowed Moser Baer the opportunity to build back its market share in the Solid State Media segment through sale of the Moser Baer and other OEM branded products.

The Company is also moving towards establishing itself in the Indian LED lighting market, with a large number of B2B clients and an initial foray into the B2C segment leveraging existing capabilities, brand recognition and distribution network.

In the Solar PV segment, 2016 was a record year with the global solar industry witnessing installations of 76.6 GW while the home market added more than 4.3GW capacity in 2016 to reach a cumulative capacity of 9.8 GW by the end of the calendar year. Moser Baer utilized its cell and module manufacturing facilities to take advantage of opportunities due to the Domestic Content Regulations in the solar sector. During the year, liquidity pressures continued to persist and have been critically impacting our ability to sustain manufacturing operations and capacity utilization levels. However, the positive global macro sector environment along with a high potential domestic market provides opportunity to us to benefit from these segments, given that we are one of the largest integrated PV manufacturer in India.

### STORAGE MEDIA

#### Storage Media Industry

The optical media industry (CDs and DVDs) has witnessed de-growth over the years and stood at a market size of 6 billion units in 2016. While global demand for optical storage disc market is declining, increasing demand for archival solutions and positive outlook for the media and entertainment industry is expected to create significant demand for recordable optical discs in the near future. The ongoing re-alignment and transition in the global Optical Media industry impacted the demand for all the top tier players.

The Storage Media business includes the Solid State Media segment (Flash Drives, SD and Micro SD cards). The Flash drive market has been witnessing healthy growth in India, while the demand for SD and Micro SD cards is stabilizing.

#### MOSERBAER'S STORAGE MEDIA BUSINESS

The Company continues to supply wide range of high quality products across all regions and maintain a key position in the domestic and international market. Over the past year, production and sales volume of optical media was severely impacted by liquidity constraints at the operating level resulting in lower revenues and pending order book. While the traction remained healthy for OEM customers, the domestic market was additionally impacted by the effects of demonetization which created short term economic pressures but is expected to result in structural changes which will be beneficial in the long term.

In the SSM segment, the Company has registered an annualised growth of over 40% on the back of increased market share. However, margins have been under pressure due to shortages in NAND due to technology transition from 2D to 3D.

Given the liquidity constrained manufacturing environment and the need to become more working capital efficient, we further optimized raw material as well as finished goods inventory levels and set new reference levels in this important area.

However, the Company continues to be constrained by its liquidity challenges, and seeks the support of its secured lenders to help revive the Company.

## OUTLOOK

In the medium term, the Optical Media industry is expected to continue to witness overall volume decline globally. The Optical media market is expected to decline by 5.6% (CAGR) over 2015-25 and reach 4,224 Mn units by 2025 according to Future Market Insights. The trend is more accelerated in the developed economies.

Furthermore, it is possible to achieve a higher market share in select markets through both OEM and non OEM channels, provided the company is able to improve liquidity in this business segment through working capital & fixed costs rationalization as well as injection of fresh liquidity.

In the near future, the Solid State Media segment is expected to continue to show healthy growth, given the market demand, regulatory action against predatory imports, strong relationships with OEM customers and strong brand equity of Moser Baer in India and is limited mainly by liquidity constraints.

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

## SOLID STATE LIGHTING

### LED LIGHTING INDUSTRY

The global LED lighting market accounted for \$ 26.09bn in 2016 as per Zion Market Research (Report titled "LED lighting Market for Residential, Architectural and Outdoor Applications: Global Industry Perspective, Comprehensive Analysis, and Forecast, 2016 – 2022").

Asia pacific is considered to be the fastest growing market for LED lighting and expected to hold significant market share in years to come. Developing infrastructure of roads, upcoming development projects, the booming construction industry in developing countries such as China, India, and Indonesia is expected to create massive demand for LED lighting for residential as well as outdoor application.

The Indian lighting sector is estimated at INR 180bn in CY 2015 and has witnessed strong growth in the past few years. This growth was driven by increase in the number of households and transition from traditional bulbs to CFL and LED bulbs. LED is comparatively a new entrant and its market size is estimated to be close to INR 51bn. However sales of LED bulbs have been growing at the fastest pace in the lighting industry as a whole, primarily in urban markets due to higher awareness about its energy efficiency. The LED lights industry has witnessed a phenomenal CAGR growth of ~59% between CY 2010 and CY 2015.

Key growth drivers for LED lighting in India include Government initiatives to promote LED light adoption, increasing efficiencies and declining prices, all of which have reduced pay back periods and improved overall economics considerably.

### Strong Government Focus

Taking into account the energy efficiency and other benefits of LED products, the Government of India has taken several steps to promote and build awareness of the same among consumers.

In 2015, Prime Minister Mr. Narendra Modi launched the National Programme for LED-based Home and Street Lighting. The project involves installing LED streetlights in 100 cities by March 2019.

Under this Programme, a total of 770 million ordinary bulbs and 35 million conventional street lights are to be replaced by energy efficient LED lamps by March 2019.

The Make in India Program launched by the Hon'ble Prime Minister has highlighted Electronics Systems as a focus sector, and the LED Lighting industry falls under its ambit. Further, the Government is supporting local manufacturing by imposing lower custom duties and Special Additional duties on the import of components used in the manufacturing of LED lights.

To ensure that quality products are available in the market to the consumers, The Indian Department of Electronics and Information Technology (DEITY) made it compulsory in 2015, to register self-ballasted LED lamps with the Bureau of Indian Standards (ISI). Currently LED bulbs, LED tube lights with deccobaten, certain fixed general purpose luminaires are covered by the standards.

The Government of India has also announced the Smart Cities Mission, an urban renewal and retrofitting program with a mission to develop 100 cities all over the country making them citizen friendly and sustainable. This is expected to further increase the demand for LEDs in the country.

Factors which have led to an increase in demand of the LED products are:

- Improved efficiency and reducing prices have improved the value proposition significantly,
- Mandatory Energy Efficiency regulations for new buildings and facilities,
- Government focus on LED adoption to save energy,
- More Investments in Green Buildings,
- Large size of Real Estate Market in India,
- Growing interest among Healthcare, Hospitality, Retail and IT sectors, and
- Demand from Institutions, Industries and Corporate houses
- Replacement of street lights with LEDs under the government's demand side management initiatives which are being implemented by Energy Efficiency Services Ltd.

### Chinese Imports

China, Taiwan and Korea have emerged as the dominant LED chip manufacturing base for the world. As a consequence of the economies of scale and access to the complete LED supply chain and various subsidies, Chinese manufacturers have managed to reduce product pricing quite significantly. Chinese Companies are exporting LED lighting products and components to all major countries in the world including India.

Some of the low quality and low priced imports into India had failed to deliver and consequently hurt the perception of LED products in the Indian market. However, this issue has been addressed to an extent with the introduction of BIS certification (ISI marking) for selling select LED products in India.

### MOSER BAER'S LED LIGHTING BUSINESS

During the year, the Company moved towards establishing itself as a trusted Brand in the domestic LED market. The Company continues to strengthen its brand presence in the retail market and achieve regular growth in the in B2B and B2C segments

through its sustainable quality.

Moser Baer is well positioned to tap this opportunity in India on account of the strong Brand recall and key capabilities including:

- Precision Mouldings Assets and capabilities (from its Optical Media Business)
- Surface Mount Technology (SMT) Assets and capabilities (from its Solid State Media Business)
- Relevant experience and knowhow relating to Product Quality and Reliability, Design, Product Development, Testing and Optics
- Global Sourcing strengths
- Strengths in Indian Sales, Marketing and Distribution which can be synergistically exploited

Moser Baer's LED business model does not require any immediate capital expenditure since the company utilizes its existing assets and manufacturing knowhow.

The company is manufacturing LED lighting products at its Noida and Greater Noida manufacturing facilities. We have commenced production of certain LED lighting products such as Street lights, High bay lights, Panel lights, Tube lights, etc. (with imported LED package and some other components), leveraging our existing asset and skill base. The Product design and development team is focused on designing products with higher reliability and efficacy. Besides the in-house manufacturing capabilities, the company also outsources manufacturing of basic, high volume products like bulbs to contract manufacturers based in tax efficient locations. Stringent quality control processes have been established and being followed to ensure that our quality standards are met by outsourced products as well. The company has set up an in-house state-of-the-art Research & Development laboratory with testing capabilities to ensure supply of high quality LED lighting products in the market.

The Company is also using the Selling and Distribution capability and skill set available with its subsidiary, Moser Baer Entertainment Limited, to address the B2C opportunity in India. The existing distribution allows the Company to address the entire market in India.

The Company has positioned its product as a Higher Performance product of superior quality, and is able to easily and successfully demonstrate this advantage to the B2B segment. The company has successfully entered the professional segment of the LED lighting industry with a marquee list of customers/ installation across segments and established Moser Baer as a competitive player in this product category. In addition to the direct sales and supply to large institutions / corporates by the in-house sales team, the Company is also appointing specialized B2B distributors who supply and service industrial sectors like textile, automobiles, pharmaceuticals, etc.

The Company's brand received approval by the Bureau of Standard of Bhutan for supplying in Bhutan and sales have already commenced.

## OUTLOOK

The global LED lighting market accounted for \$ 26.09bn in 2016 and is expected to reach \$ 54.28bn by 2022, growing at a CAGR of around 13% between 2017 and 2022

The company plans to scale up operations in the consumer LED

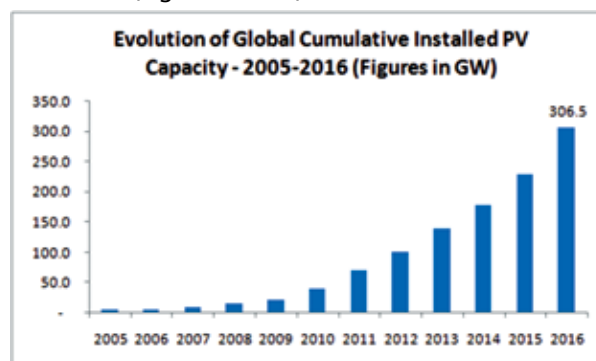
lighting space by leveraging its brand strength and expanding its distribution network nationally. The company has appointed exclusive and non-exclusive Super stockists (large distributors) across the country to distribute LED lighting products in the electrical markets for consumer segment.

## SOLARPHOTOVOLTAIC

### PHOTOVOLTAIC (PV) INDUSTRY

2016 was a record year for solar. A total of 76.6 GW was installed and connected to the grid in 2016 as per 'Solar Power Europe'. This is a 50% year-on-year growth over the 51.2 GW installed in 2015 and the third highest rate recorded since 2010, though at much higher absolute levels. In 2016, Asia-Pacific has become the largest solar-powered region in the world – with 147.2 GW of total installed capacity, equal to a 48% global market share. The cumulative installed solar PV power capacity increased 33% to 306.5 GW by the end of 2016, up from 229.9 GW in 2015.

### Evolution of Global Cumulative Installed PV Capacity -2005-2016 (Figures in GW)



Source: Solar Power Europe

### Indian Solar Market

The Indian solar market, on the other hand, has seen strong growth since the launch of the National Solar Mission (NSM), which has since then been enhanced from 20GW to 100GW in 2022. There is strong growth opportunity in the domestic solar market given the government's enormous thrust on the development of the sector. Though the anti dumping duties were not implemented in 2014, the government has given impetus to the growth of the domestic solar manufacturing sector through 'Domestic Content Manufacturing (DCR)'. As of March 31, 2017, India had installed 12,163 MW of utility scale solar PV capacity. Capacity under development as of March 31, 2017 stands at 12,381 MW. Tamil Nadu, Andhra Pradesh and Telangana have emerged as the fastest growing states.

The Union Budget 2017-18 has provided further thrust to solar sector:

- Second phase of Solar Park development to be taken up for additional 20,000 MW
- It is proposed to feed about 7,000 railway stations with solar power in medium term
- Compared to last year (Rs 5,036 crore), this year the allocation to the Ministry of New and Renewable Energy stands at Rs 5,473 crore. The total budget is further split between Rs 3,361 crore for solar and only Rs 408 crore for wind, a clear indication that the government will continue

to prioritise solar.

- Government is allocating a record Rs 745 crore for modified special incentive package scheme (MSIPS) and EDF that were designed to encourage local manufacturing for the year of FY18

The Indian government is now working on drawing up a well thought out plan to support domestic manufacturing including:

#### 1) WTO Compliant DCR (Domestic Content Requirements) Projects:

On account of the recent WTO developments, and the subsequent impact on the DCR projects, the government is expected to implement a scheme wherein additional DCR projects would be floated by Central Public Sector Units/ Government for self consumption which will be WTO compliant.

- **CPSU Schemes:** Schemes exclusively for PSU tenders for 7,000MW will be released during the year by many PSUs for self consumption. These projects have been cleared by MNRE and Viability Gap Funding of Rs 5,000 crores will be sanctioned at Rs 70 lacs/MW to ensure PSU's are not unduly burdened.
- **NTPC – Auxiliary Demand of 12,000 MW:** For every 100 units generated there is a consumption of 9 units for self usage by NTPC. Tenders for meeting this demand will be released starting September 2017.
- **Roof top Solar Projects:** Under the National Solar Mission, 40GW is allocated to Rooftop Projects and so far only 1.1GW has been installed. These are small projects of size 1-100 kw and it is important to protect the interest and ensure high quality, reliability and ease of procurement and installation for the small/ household user. Currently, imports dominate in this area as well, and to prevent the use of poor quality product and poor access to manufacturers based in China for small quantities, the Government of India is expected to mandate use of DCR products only in the segment.

#### 2. Anti Dumping Duty (ADD):

- Application has been filed on behalf of Indian Solar Manufacturers Association (ISMA) with DG (Anti Dumping Directorate). Letters have been issued to manufacturers to provide data required for detailed investigation and conclusion

#### 3. Safeguard Duty:

- Fearing unprecedented injury due to continued dumping an application has been filed under Safeguard Protection with DG ( Safeguard) by ISMA

#### 4. Quality Focus:

The Government of India will release stringent norms of testing to ensure the quality of products. Products manufactured in India as well as imports would need to pass the stringent tests for validation.

Going forward, ensuring grid robustness and investment/ lending appetite at aggressive tariff levels will be the two main challenges. In addition, financing and cost of financing is a

key challenge in achieving the targets set. Policy interventions to address these challenges together with demand growth measures will be key to sustainable growth of the sector.

#### MOSERBAER'S PV BUSINESS

Despite liquidity headwinds, the PV business undertook several steps towards running its operations including managing working capital through customer and vendor support. Over the last 6 months of the financial year, the business has focused on manufacturing DCR modules to take advantage of the large DCR market. PV Group made sales of 20.5MW of Cells and 17.5 MW Modules during FY'17 for key customers.

However, the liquidity constraints experienced by the Company has impacted its ability to sufficiently leverage the opportunities presented in the Indian solar market to a large extent. During the year, the liquidity pressures continued to persist and critically impacted our ability to enhance manufacturing operations and capacity utilization levels. Volatility in DCR orders and delay in disbursement of approved government subsidy also continues to impact the manufacturing operations. For solar PV manufacturing to be cost effective, plants need to operate 24x7, which has been a serious concern due to lack of consistent demand arising from intermittent release of tenders. The Government is attempting to address this issue with release of large sized tenders.

The operating parameters of our upgraded solar PV crystalline silicon cell line continue to show steady improvement through the concerted efforts of the manufacturing team and improvements in supply chain in terms of superior quality inputs at competitive prices.

Over the years, Moser Baer's PV Business has completed over 340 MW of projects in the EPC segment. The Company is however currently constrained, on account of its financial position, to aggressively target this segment.

Our focus on cost reduction continues, with particular emphasis on rightsizing of the organization, power costs and other operating costs, duly aligned to its current / anticipated level of operations.

Moser Baer's solar subsidiaries also qualified under the Special Incentive Package Scheme notified by the Government in 2007 to boost the semiconductor manufacturing sector. The Government's detailed diligence process for technical and financial validation has been completed and definitive feedback from the Government has been received by the applicant entity regarding approval and the Government conditions for its utilisation. The receipt of the funding is taking time. Post receipt of funding, Company will have the requisite working capital to scale up operations.

The Solar Subsidiaries continue to engage with their secured lenders to seek support for their revival and continue to operate based on customer support and efforts at optimizing cash flows. Lender actions and resolution of liquidity issues will continue to play a key role in the revival of the Company.

#### OUTLOOK

Solar Power Europe has projected the cumulative solar market at 772 GW by 2021. It is certain that Asia will continue to dominate the solar sector in the near future

While solar energy is now competitive with conventional

electricity generation in many global markets, and dependence on subsidies has decreased significantly, there is still an element of policy uncertainty that impedes its unfettered growth. However, it is expected that economic rationale shall prevail and the policy outlook will become even more favourable over the coming years.

With declining prices in the last few years, policy makers in several countries from high solar radiation regions such as Africa, the Middle East, Southeast Asia and Latin America, have increased their plans for PV deployment in these geographies.

Indian market is expected to emerge as a key solar market.

However, in order for the sector revival to be sustainable, we believe that it would be critical for emerging policy to address the following issues:

- Ease of implementation, particularly addressing concerns relating to land, connectivity, enforceability of solar purchase obligations and bankability of Power Purchase Agreements from distribution utilities;
- Stable long term perspective including long term demand visibility which will allow for appropriate investment decisions;
- Financing, high cost of financing, and risk of currency fluctuations need to be addressed from the perspective of attracting international capital as well as reducing the overall cost of solar energy; and
- Visibility for support to Domestic Manufacturing over a period of time in the context of anti dumping duties which were not imposed
- Availability of cost effective and reliable power

Subject to addressing the debt and liquidity issues, the Company plans to ramp up operations in line with the emerging opportunities in the Indian market and announcement of key Government policy initiatives, and increase the utilization of our existing infrastructure. Our strong presence in the Indian solar PV market, integrated operations, high quality profile and strong brand value position us to benefit from the high potential Indian market in both the off-grid and utility scale markets in the years to come. Timely receipt of the SIPS subsidy from Government of India is critical for the Company to ramp up its operations in a time bound manner.

## FINANCIAL RESTRUCTURING

Please refer to the section Debt Restructuring in the Director's Report for further details.

## OPPORTUNITIES AND THREATS

### STORAGE MEDIA

#### OPPORTUNITIES

- Ongoing consolidation in the industry is throwing open newer customer opportunities for remaining players
- Growing Solid State Media market in India
- Scope for increasing non-OEM business in geographies where Moser Baer presence was earlier limited
- Stable margins due to reduced competition/consolidation in the industry leading to stable, industry

pricing and cost

#### THREATS

- Gradual decline in the optical media industry globally
- Competition from Taiwanese Players in Optical Media and Global Leaders in Solid State Media products and possible circumvention of the anti dumping measures implemented by Government of India
- Progressive growth in alternative data storage technologies including online and digital storage
- Regulatory developments in debt/capital markets that could adversely effect the company's interest costs and debt restructuring
- Threat of disruption in plant operations in the event of disturbed Industrial Relations
- Recovery actions by the company's lenders/ creditors
- Threat of any financial or operational creditor initiating proceedings under Insolvency and Bankruptcy Code 2016

### LED LIGHTING

#### OPPORTUNITIES

- Improving economics of LED Lighting given improvements in efficiency, reduction in costs and overall environment friendliness
- Strong Growth potential in Global and Local Market including government sourcing
- Government regulatory support to LED given the role of energy efficiency in India's Energy Scenario
- Preferential Purchases by Government Organizations for Products Made in India
- Availability of large and competitive supply chain from China
- Growing action by businesses and institutions both private and government to switch to LED as increasingly cost effective & energy efficient lighting;

#### THREATS

- Strong established players in the Lighting Industry who have a strong presence in India also Imports from China
- Competition from small Indian players importing poor quality products from China
- Technology obsolescence and emergence of disruptive technologies
- Sudden increase in input costs of key components, in particular, LED Chips
- Strong IP position of key players in LED Chips and Products
- Threat of disruption in plant operations in the event of disturbed Industrial Relations
- Recovery actions by the company's lenders/ creditors
- Threat of any financial or operational creditor initiating

proceedings under Insolvency and Bankruptcy Code 2016

## **SOLARPHOTOVOLTAIC**

### **OPPORTUNITIES**

- Global acceptance of solar power along with strong focus on sustainable clean energy sources worldwide provides strong growth opportunity for solar power
- Strong growth potential in key markets such as US, China and Japan that have taken centre stage as the next growth drivers in the global solar industry
- Strong thrust on solar power in the domestic market and preference / incentive for domestically manufactured cells and modules
- Advancement of grid parity globally and in India on account of improvement in cost competitiveness of solar energy vis-à-vis conventional energy;
- Support for solar manufacturing as a key ingredient in the national solar strategy;

### **THREATS**

- Withdrawal or reduction of State support in key markets through reduction of subsidies and other incentives or change in government policies
- Delays in implementation of duties
- Continuation of challenged economic environment in Europe, a key market for solar- PV products is likely to affect demand for solar power in the region
- Slowdown in demand from the current growth drivers such as China, Japan and the US
- Lack of enforcement of the Solar Purchase Obligations in the Indian Solar market
- Delay in JNNSM /State Solar project tendering process/ DCR projects
- Sudden increase in capacity in the global PV market amid an improving industry environment
- Increase in pricing of key raw materials
- Technology obsolescence & emergence of disruptive technologies
- Continuation or prolonging of the high interest rate scenario in the domestic market
- Steep fall in the module prices in the uncertain market conditions.
- Threat of disruption in plant operations in the event of disturbed Industrial Relations
- Recovery actions by the company's lenders/ creditors
- Threat of any financial or operational creditor initiating proceedings under Insolvency and Bankruptcy Code 2016

## **HUMAN RESOURCES & INDUSTRIAL RELATIONS**

In the era when industries are facing multi-fold challenges and competition internally as well as externally, maintaining synergies

of Human Capital for rising up to the Business challenges takes prime importance and is inevitable. Despite liquidity constraints & operational bottlenecks, the company is maintaining a cordial working environment.

During the recent times industries in the region and especially our vicinity are making efforts to maintain the Industrial harmony.

On part of Industrial Relations (IR) at the manufacturing locations, IR has been largely peaceful since the time we had reached a three year wage settlement with workers in April 2015. Although, there have been some intermittent IR disturbances for wages and benefits, the HR is expectedly playing a vital role in maintaining harmonious relations with workers and employees and is watchful for possible preventive measures.

In order to bring down the operational costs and sustain business survival, HR has played a significant role and several cost cutting initiatives were launched which helped in considerable savings for the company.

On account of liquidity constraints and the contraction in business, the company could not implement the increments due to the Workers effective 1 April 2017 under the Settlement Agreement of 2015. In March 2017, the Company had apprised the concerned authorities regarding the same and indicated its commitment for implementing the same as and when circumstances permit. The matter has since been referred for conciliation proceedings before the concerned authorities.

Efficient communication measures and well-constructed HR strategy for driving employee commitment when anxiety is high have helped us in sustaining challenges from time-to-time.

Our continued focus on proactive involvement, employee friendly practices and policies, two way communications and grievance redressal mechanism, and interface with families of employees have helped us to enhance engagement level of our employees and build strong bonding with the organization. Voluntary participation of employees in activities like family visits, sports & recreation, health related initiatives, CSR activities etc. have enabled us to make maximum use for fun aspect of work-life, which in turn, is very important for efficient and productive working.

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

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

Moser Baer ended the financial year with 2,889 employees as compared to 3,021 employees at the end of last financial period.

### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company is constantly endeavoring to improve the standards of internal control in various areas and taking steps to strengthen the internal control system to make it commensurate with the size of entity and the nature of its business. The Company's accounting and reporting guidelines ensures that transactions

are recorded and reported in conformity with Generally Accepted Accounting Principles and that all assets are safeguarded and properly protected against unauthorized use. Such controls, which are subjected to periodical review, also ensure efficiency of operations, accuracy and promptness of financial reporting, prevention and detection of fraud and errors, besides complying with the applicable laws and regulations.

The Company's Internal Audit department along with professional Risk Advisory firm independently tests the design and operating effectiveness of internal controls system. The Internal Audit Department develops an audit plan using an appropriate risk based methodology. This audit plan is submitted to the Audit Committee of the Board for review and concurrence at the commencement of the financial year. The Internal Audit process also monitors the status/progress in implementation of suggestions for improvements.

Internal Audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of such recommendations.

During the financial year, a full review of Internal Financial Controls and internal controls over financial reporting was conducted on which the statutory auditors also expressed their qualified opinion as a part of their Audit report. The auditors have opined that the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and that these were operating effectively, except in respect of the lack of evidence relating to uncertainties underlying the significant assumptions used in the valuation reports for assessing the recoverable value of fixed assets of the Company and assessment of provision for other than temporary diminution in the value of investment, trade receivables and short term loan and advances in a wholly owned subsidiary and absence of definitive agreement between the Company and lenders in respect of interest rates.

## **OPERATING PERFORMANCE REVIEW**

### **Financial Analysis**

#### **Revenue & Profits**

The total income from operations for the financial year ended March 31, 2017 was INR 5,466 million compared to INR 7,596 million during the fifteen months ended March 31, 2016. Loss after tax for the year is INR 11,140 million as against INR 7,036 million during the fifteen months ended March 31, 2016.

Fully diluted earnings per share for the year ended March 31, 2017 was INR (50.23) against INR (32.11) in the fifteen months ended March 31, 2016. The company generated INR 251 million cash from operations during the year.

#### **Capital Structure**

There was no change in the paid up equity capital which stood at INR 2,218 million as on March 31, 2017.

#### **Reserves**

The Company's reserves stood at INR (31,273) million at the end of March 31, 2017 against INR (19,471) million at the end of March 31, 2016. There are no re-valuation reserves as of March 31, 2017.

#### **Loans**

The Company's total net debt decreased by 2.6% over the previous year.

### **Financial objectives, initiatives and achievements**

Your company is taking proactive measures to ensure all financial costs are effectively reduced to positively impact the bottom line. The Company continued to focus on more efficient working capital management to release cash in to the system, generating INR 251 million of cash from operations.

#### **Interest**

The amount on account of interest and finance charges for year ended March 2017 was INR 2,126 million as against INR 2,744 million in the fifteen months ended March 31, 2016.

#### **Capital Expenditure**

Gross block of the Company stood at INR 45,112 million as on March 31, 2017 as against INR 45,038 million as on March 31, 2016.

#### **Depreciation/ Impairment**

Depreciation/Impairment for the year ended March 31, 2017 was INR 1,231 million (including impairment of Rs 610 million) compared to INR 1,061 million for the fifteen months ended March 31, 2016. 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 mitigated.

#### **Loans and advances**

As on March 31, 2017, both long term and short term loans and advances put together, decreased by INR 326 million.

#### **Capital employed**

The capital employed stood at INR (26,965) million as on March 31, 2017 as compared to INR (9,128) million as on March 31, 2016.

## **RISK MANAGEMENT**

Risk Management is an important and integral part of business in current economic environment. Your Company is committed to managing the risk in a pro-active and efficient manner. The Company evaluates potential risks, and has over the years evolved an appropriate risk-management strategy. This takes into account changing market trends, competition scenario, emerging customer preferences, potential disruptions in supplies, financial performance and regulatory changes, among others.

Your Company has a comprehensive risk management policy/framework which is reviewed by the Risk Management Committee. Risk evaluation and management is an ongoing process within the Organization. The objective of Risk Management framework is to identify, analyze, mitigate, monitor and report risks on a timely basis, in respect of the events that may pose risks for the businesses.

Key business risks and mitigations are:

- **Liquidity risk:** The Company continues to operate at sub-optimal levels due to severe working capital constraints, resulting in adverse impact on cash flow from operations.. Due to continued liquidity issues, primarily arising from non-release of sanctioned working capital limits and refunds due to the Company from lender banks, the Company has been unable to comply with repayment terms of its



borrowing arrangement with secured lenders in terms of the Corporate Debt Restructuring package approved in the year ended 31st March, 2013. As a result and consequent upon the report submitted by Monitoring Institution (MI), the CDR-EG approved exit of the Company from CDR mechanism on 10th October, 2016. The lender banks have sought to recall the entire outstanding amounts owed to them by the Company and have initiated recovery measures through notices under section 13(2) of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act). The Company has challenged the loan recall notices and the SARFAESI notices through its Legal Counsel and will take further appropriate steps as may be advised by its lawyers. The Company in the meanwhile continues to dialogue with, and pursue its secured lenders for resolution of the debt. The company also continues to follow through with the Monitoring Institution, Central Bank of India for reduction in tagging of 9% that has been imposed by the banks.

Moreover, the Company has outstanding foreign currency convertible bonds (FCCBs) with principal value of USD 88.4 million equivalent to Rs 57,327 lacs which were due for redemption along with premium on 21 June 2012. As at 31st March, 2017, accrual for premium on FCCB aggregates Rs. 56,468 lacs. The Company is in the process of negotiation with bondholders to re-structure the terms of these bonds. This is now subject to approval of secured lenders, which is expected to be settled only along with the resolution of secured debt.

In view of the above factors, and also the fact that the company has various outstanding financial obligations, the company is subject to the risk of any creditor seeking to initiate a Corporate Insolvency Resolution process under the IBC Code, 2016. The Company however believes that it would be able to work with its lender banks / creditors towards maintaining holding on operations while debt resolutions is under negotiation.

- **Technology risk:** A key challenge of your Company has been to ensure that it is equipped with updated technologies in order to serve market and customers, secure cost competitiveness and maintain R&D leadership. Optical Media and to some extent Solid State Media have reached a product maturity phase and are not likely to undergo significant changes in technology. Therefore, the Company is mainly focusing its efforts on cost optimizations to make this business sustainable. In respect of Solid State Lighting products, on-going efforts continue to be made to introduce new products with top of the line performance characteristics in response to market demands. Product development and R&D efforts are carried out continuously to enhance Lumens / watts, development of reliable drivers, and products with multiple features. Moreover, efforts have been made to carry out backward integration though development of various plastic components. Strategic alliances with key vendors also enable the Company to keep abreast of the latest technology developments.
- **Business concentration risk:** Dependence on few large customers and concentration in particular geographies and business / product segments could have adverse effects on revenues in case of attrition of the customer, technological

obsolescence of the product or some of the regions not delivering as per expectation. We strive to diversify customer and geographic base to avoid dependence on a particular business / geography / set of customers. The de-growth in Optical Media business has been sought to be offset with corresponding growth in Solid State Media and Solid State Lighting segments to ensure a wider business portfolio along with customer and geographical dispersion. Solid State Media business continues to grow on the back of enhanced market share through key customers in India and partnering with new OEMs. In the Solid State Lighting (SSL) segment, the Company continues to strengthen its brand presence in the retail market and achieve regular growth in the in B2B and B2C segments through its sustainable quality.

- **Input cost and falling sale price risk:** Production and sales volumes were severely impacted by liquidity constraints at the operating level resulting in lower revenues. The company continues to work on enhancing its overall margins through concerted efforts in improving efficiencies and reducing costs. Consolidation of plant operations, as well as other cost reduction initiatives such as process optimization, efficient asset utilization, alternate sourcing, alternate material usage, cost re-engineering has resulted in overall reduction in fixed overheads and employee costs. Softening key input costs in Optical Media, stable fuel prices accompanied by sustained cost reduction initiatives continued to support the business and offset softening of selling prices. In-house manufacturing of key components and products in Solid State Lighting have helped to enhance competitiveness. Continuous and conscious efforts are made to increase share of value added products to offset contracted ASPs in finished goods.
- **Exchange fluctuation risk:** As we export a substantial part of our product offerings and import key input materials from various countries, our operations are prone to the risk of adverse exchange rate fluctuations. Moreover, we have outstanding foreign currency denominated debt and hence we are sensitive to fluctuations in foreign currency exchange rates. These transactions are denominated in foreign currencies, primarily the U.S. Dollar and Euro. The Treasury department of the Company continually tracks the foreign exchange movements and underlying currency exposures and takes advice from financial experts as and when required to decide its hedging strategy in accordance with approved foreign exchange risk management policy. The hedging of foreign exchange exposures is, however, currently restricted by the non-availability of renewed hedging limits.
- **Employee Related Risks:** In the scenario of prolonged financial and liquidity stress, it is a challenge to align business interests with the interests of our workforce. The Company endeavors to strike a balance through constant dialogue / communication with associates to understand their issues and work out solutions, while keeping them updated with the challenges in business scenario. Although, the organizational structure is periodically reviewed in order to align it with the changes in business scenario and strategy, the efforts of the Company for rightsizing the organization could not be implemented on account of

liquidity constraints and regulatory restrictions. On account of prolonged financial & liquidity stress, the company continues to face a risk of industrial unrest and disruption in plant operations, which it seeks to manage through constant dialogue and communications.

- **Performance of the subsidiaries:** The Company has made investments in its subsidiaries and provided corporate guarantees on behalf of subsidiaries. As a result of the business operations and financial performance of these subsidiaries having been negatively impacted, the value of the Company's investments have suffered consequent erosion in value. Any recovery or enforcement actions by the lenders of the subsidiaries, including any initiation of proceedings under Insolvency and Bankruptcy Code 2016 by the lenders, guarantee holders or other creditors could impact the Company. One of the Lenders of Moser Baer Solar Limited (a subsidiary company) has already filed an application under Insolvency and Bankruptcy Code before National Company Law Tribunal which is to be heard for admittance.

In the opinion of the Board, except as stated herein above no other risk have been identified that may threaten the existence of the Company.

## **CORPORATE SOCIAL RESPONSIBILITY**

Moser Baer Trust, the community development wing of Moser Baer India Limited has completed its 10th year of operation with an outreach of more than 1.5 lakhs lives touched through its various interventions across locations. MBT has consolidated its interventions from few areas but has grown as an organisation in terms of its programme approach, interactions with district administration and partnership development with like-minded organisations. The programme approach is now inclusive, need based, collaborative and sustainable in nature. We critically analyse our programs and performance to see beyond the horizon. All our programmes focus addressing the issues in comprehensive manner rather than focusing on one issue which are impacting our beneficiaries. The focus is more on integrated development of areas of influence.

### **Education**

The main aim of our Education intervention is to enhance the relationship communities have with education by affecting learning behaviorally and structurally. The following interventions under the theme are being implemented to achieve the larger goal:

- **Support Classes**

Moser Baer Trust started class intervention in 2010 with a view to increase the level of education and provide quality education. Keeping this focus in mind, this year MBT ran 12 support class centres in 12 villages and provided quality education inputs to 683 students.

In addition to providing support to the students at primary and middle level, the classes were also organised for the students appearing in 10th standard. This is the time when most of the students drop out because they can not qualify Maths and science subjects. To deal with this, special classes for such students were organised. These students are taught all subjects of Class 10th and given focus to clear state board examinations at the end of the year. A total of 60% of the enrolled students in this intervention have qualified their 10th standard this year.

- **Mainstreaming in formal school**

Mainstreaming in formal education is one of the integral parts of our theme - "Education". The main objective of this intervention is to bring all "Out of School" students in the ambit of education. A total of 431 students were mainstreamed in the reporting year.

- **Adult Literacy and Non-Formal Education**

Adult Literacy is one of important aspect of the Non Formal Education provided through the trust which helps spread knowledge to the every level of the society. These are generally women, who are illiterate and face daily challenges from reading to the basic daily needs calculations. This year, a total of 53 women have been covered under this initiative.

In addition to this, 17 women from SHGs had given 5 months trainings to read Hindi language and on basic mathematics. They were in the age group of 20 -45 years. This helped them grasp knowledge to deal with daily readings such as pamphlets, cards or even calculate the wages they earn or savings they do.

## Digital Learning Programs (DLP)

MBT has set up DLP CENTRE to engage the entire surrounding community and significantly impact human development, economic and gender indices. These centres help rural and disadvantaged communities, by facilitating access to information and training services, providing opportunities through capacity building and using ICT as outreach platform and attempt at enhancing existing livelihoods for under-served communities. The initiative of MBT has touched approximately 10,000+ lives till date whereas in the preceding year it has catered to 4000+ beneficiaries.

## Health

Moser Baer Trust (MBT) believes that health is one of the core areas of family well-being especially in remote areas such as Anuppur which is one of the important geographical areas of MBT, thus health outreach activities are initiated with theme "Arogya" which involves Mobile Medical Services, Specialized Camps as well as other emergency assistance through Ambulance services. The following are the major highlights of this intervention:

- Overall 283 OPDs conducted in which 6793 patients are treated from 27 villages in this year
- Apart from daily OPD, 4 health camps and 2 blood donation camps were organized.
- 1090 patients were treated in these quarterly health camps while 226 donors had donated their blood in two camps during this year
- Nearly 91% treated patients are from SC,ST and OBC

## Youth Development

YUDAI was developed to groom underprivileged youth from urban or rural areas with a focus Life Skills and Leadership qualities. Furthermore, to identify, train, mentor and form a group of Peer Leaders for preparation of near future. This year 164 beneficiaries were covered and engaged in various activities aiming at developing them as future leaders who spearhead change in their respective communities.

- Peer Leaders with the help of Master Trainer work in tandem to train 71 new beneficiaries
- Apart from regular trainings, they had Awareness Rallies and Nukkad Natak on "Importance of Education" as part of Sarva Shiksha Abhiyan, Dengue, Anti-Tobacco and Voter Awareness Campaign.

These activities were organised by the Peer Leaders with minimal assistance of project staffs.

## SAFAL

SAFAL contemplate the possibility to work with the farmers and their families in improving the food productivity thus augmenting

cash flows. Further supplementary enhancements are done to directly impact the farmers and their families such as irrigation, check dams, goat husbandry, lighting & sanitation and self-help group creations.

MBT started working in Anuppur district of Madhya Pradesh since 2011, till date a lot of interventions has taken place from cultivation to other major livelihood improvements programs. This year's intervention in the varied livelihood programs of SAFAL targeted **7938 beneficiaries**. The following are the major highlights of this intervention this year:

- Withdrawal of chemical fertilizers has affected the yield significantly (42% fall), the Dhaincha (green manure) effect on the yield have shown incremental value that is up to 10 %.
- In Paddy, the average production has come to 13.74 Q/acre, however the average yield is 16.98 Q/acre.
- In Maize intervention, 95% of the participating families have yielded more than 10 Q/acre which is above the state average (3Q/acre) and national average (10Q/acre).
- In Wheat intervention, the average yield for the year comes out nearly 4.8Q/acre which is higher than district yield (2.94Q/acre) but less than national yield (11.48Q/acre).
- Oyster Mushroom cultivation was also promoted this year with 20 families in 15 villages on pilot basis. The average production is 800gm per bag with price 95 Rs./Kg.

## Vocational Training

MBT runs vocational training centre with an aim to provide a platform for overall personal grooming and economic security to the village girls coming from poor families. The programme is in collaboration with USHA International and Jan Shikshan Santhan, Ministry of HRD. A total of **201** girls were trained in Apparel Designing, Beauty Culture, Hina Application and Health Care.

## SANGAM

As in preceding years, this year too the trust celebrated the first week of December (29th November to 5th December) as the CSR week. This whole week was aimed at enhancing employee voluntarism by organizing various drives and campaigns as well as interactive and creative sessions. As part of the CSR week various activities were conducted including Folk dance by local people from our area of interventions, session on gender equality with employees, Sports Meet and so on. The CSR week is a major event and is organized at our business locations. The whole CSR week culminates into the annual stakeholder meet called SANGAM. SANGAM is the annual event of MBT which celebrates the spirit of partnership every year. SANGAM observed the presence of all significant stakeholders and partners of MBT.

## EHS PERFORMANCE

At Moser Baer, our objective is to achieve Zero accidents and Environment sustainability. In order to achieve this objective, we have a fully integrated EHS Management system as one of our core values. We are fully committed to this value and are striving to enhance leadership in EHS within the Organization by creating a culture of work safety in order to achieve the target of Zero accidents. Our "Journey to Zero" begins with the development of leadership actions that will deliver safety performance excellence, while leveraging learning from shared best practices across the entire organization.

Moser Baer as an organization has achieved many milestones in regard to EHS (Environment, Health & Safety); a few of them are listed below:

1. Recycling of materials, energy efficiency and renewable energy are said to be the pillars of sustainable policy. Recycling turns materials that would otherwise become waste into valuable resources. Initiatives taken for conservation of resources during the period included the following :
  - Saved 2715 Keekar trees through in-house recycling / reusing 17403 wooden pallets for product packing.
  - Recycled 1617 Tons of polycarbonate during this period.
  - Recycled 88 Tons of solvent.
  - Reduced HFO consumption with clean fuel CNG & Grid power from NPCL to reduce CO2 emission.
  - Reduced kitchen waste by installing Biogas plant & producing biogas equivalent to half cylinder of LPG from kitchen waste on a daily basis through our Biogas Plant.
2. Accident rate for the 12 month period was 0.84 as against 1.28 the previous year.
3. Covered more than 83% of associates in EHS Training. Achieved Training rate (Training / man / year) more than 3.5 hrs / employee against 3.00 hrs / employee in the Annual Performance Plan.
4. Designed and developed in-house Fire prevention and Practical Fire Fighting Training and covered more than 667 associates in these workshops.
5. Successful re-certification under the Integrated Management System of ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, Disney ILS Audit and SA 8000:2008 Standards for Environment, Health & Safety Management and Social Accountability respectively, audited by various certifying agencies like Kauffland, SA 8000 & DNV etc.
6. Designed, developed and implemented over 15 EHS Training modules like Fire prevention, Lock out / Tag out, defensive driving for drivers, Industrial Hygiene and personal grooming for cafeteria employees, Electrical Safety, Hazards communications, Effective use of Personal Protective Equipment, RoHS Directives, Legal aspects of Industrial Safety, Machine Guarding and Material Handling etc.
7. Elimination of PVC Pouches as per EEEEC Directives. Strict implementation of RoHS, REACH Directives and E- waste management system.
8. Substantial amount of material recycling (polycarbonate, dye, silver, etc) to reduce input cost of the product along with improvement in environmental sustainability.
9. Non-use of Banned Substances in product inputs.
10. Benchmarking process with nearby industries to improve EHS systems.
11. Active participation in more than 14 Emergency preparedness (Mock Drills) in the neighbourhood industries, organized by Director of Factories and Chief Fire Officer.
12. We have successfully celebrated the National Safety Day/ Week in the month of March '2017 with great zeal & enthusiasm.
13. We celebrated the World Environment Day on 5th June to promote the theme of "Connecting People to Nature – In the city and on the land, from the poles to the equator". The company was witness to lot of tree plantation on that day. Commitment of Management & EHS teams remains highly visible for promoting safe environment.

## Corporate Governance Report

### 1. 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. 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.

Your Company has evolved practices which are structured to institutionalize policies and procedures that enhance the efficacy of the Board and inculcate a culture of accountability, transparency and integrity.

### 2. BOARD OF DIRECTORS

Your Company has a judicious mix of executive, non-executive and independent Directors, so as to have independence on the Board and separate its function of governance from that of management. Your Company also has a woman Director on the Board. Independent Board is essential for sound corporate governance.

Definition of 'Independent Director' as per regulation 16(1)(b) of SEBI (LODR) Regulation, 2015

'Independent Director' shall mean a Non-Executive Director, other than a nominee director of the company:

- i. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- ii. who is or was not a promoter of the company or its holding, subsidiary or associate company;
- iii. who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- iv. who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- v. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or five million rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- vi. who, neither himself nor any of his relatives —
  - (a) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
    - (1) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (2) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - (c) holds together with his relatives two per cent or more of the total voting power of the company; or
  - (d) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
  - (e) is a material supplier, service provider or customer or a lessor or lessee of the company;
- vii. who is not less than 21 years of age.

#### Terms and Conditions of appointment of Independent Director

The terms and conditions of appointment of Independent Directors are available on the website of the Company: [www.moserbaer.com](http://www.moserbaer.com)

#### Separate meeting of Independent Director

During the year under review, the independent Directors held two separate meeting on August 11, 2016 and May 23, 2017 to discuss the process for evaluation of the performance of the Board, its Committees, Chairman and the individual Directors of the Company. The meeting were attended by all the independent Directors.

## COMPOSITION AND CATEGORY OF BOARD

As on March 31, 2017, the Board comprises of five Directors, including three independent Directors and two executive Directors. The Chairman is Executive Director and the Company has an optimum combination of executive and non-executive directors in accordance with Listing Regulations.

The details relating to Composition & Category of Directors, Directorships held by them in other companies and their membership and chairmanship on various Committees of Board of other companies, as on March 31, 2017 is as follows:

| Name of the Director | Category                      | Equity Investors/ Lenders represented | Designation                    | No. of other Directorships in Public Companies Including Private Companies which is a subsidiary of Public Company | No. of Committee membership (including MBIL's Committees) |                                 |
|----------------------|-------------------------------|---------------------------------------|--------------------------------|--|---|---------------------------------|
|                      |                               |                                       |                                |  | Chairman  | Member (excluding chairmanship) |
| Mr. Deepak Puri      | Promoter and Executive        | N.A.                                  | Chairman and Managing Director | 9  | 0   | 6                               |
| Mrs. Nita Puri       | Executive                     | N.A.                                  | Whole Time Director            | 9  | 3   | 1                               |
| Mr. Vineet Sharma    | Independent and Non-Executive | N.A.                                  | Director                       | 2  | 0   | 2                               |
| Mr. Sanjay Jain      | Independent and Non-Executive | N.A.                                  | Director                       | 2  | 2   | 1                               |
| Mr. SamrishBhanja    | Independent and Non-Executive | N.A.                                  | Director                       | 1  | 0   | 2                               |

### Notes:

- The directorships held by the Directors, as mentioned above do not include the Alternate directorships, directorships held in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.
- The Committees considered for the purpose are those prescribed under regulation 26(1)(b) of SEBI (LODR) Regulation, 2015 i.e. Audit Committee and Stakeholders' Relationship Committee respectively of all public limited companies, whether listed or not.
- None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees (as specified in regulation 26(1) of the SEBI (LODR) Regulation, 2015) across all the public companies in which the person is a Director. Necessary disclosures regarding Committee positions in other public limited companies as on March 31, 2017 have been made by the Directors.
- The non-executive directors do not hold any equity shares of the Company.
- Details of familiarisation program for Independent Directors are provided at our website [www.moserbaer.com](http://www.moserbaer.com).

## BOARD SUPPORT AND ROLE OF COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board for consideration and for the preparation of the agenda as well as convening of the Board / Committee meetings.

The Company Secretary reports to the Board about compliance with the applicable statutory requirements and laws and advises on good governance principles. The Company Secretary attends all the meetings of the Board and its Committees and ensures appropriate recording of minutes of the meetings. Further, the process for the Board/ Committee meetings provides an effective post meeting follow up, review and reporting mechanism for the action taken on the decisions/ instructions of the Board and its Committees. As per Board's decision, the Company Secretary informs the concerned functional heads about matters arising out of the deliberations during a meeting. These heads in turn provide updates to the Board at the next meeting. All the Directors of the Company have access to the advice and services of the Company Secretary.

## BOARD MEETINGS & ATTENDANCE

The Board meets at least once in a quarter to review inter-alia the quarterly financial results and other items on the agenda.

Additional meetings are held as and when required. Facility of video conferencing or other audio visual means are also provided to enable Directors to participate in Board meetings. During the year ended March 31, 2017, the Board of Directors met five times. The maximum gap between any two meetings was not more than one hundred and twenty days. Directors' attendance at Board meetings and the Annual General Meeting of the Company held during the year ended March 31, 2017 is as under:

## ATTENDANCE RECORD OF DIRECTORS

| Name of the Director | Board meetings held during the year | Meetings Attended |  | Attended last AGM held on Friday, September 30, 2016 |
|----------------------|-------------------------------------|-------------------|--|--|
|                      |                                     | Present in Person | Attended through Audio /Video conferencing |  |
| Mr. Deepak Puri      | 5                                   | 3                 | -  | No   |
| Mrs. Nita Puri       | 5                                   | 3                 | -  | No   |
| Mr. Sanjay Jain      | 5                                   | 5                 | -  | Yes  |
| Mr. Vineet Sharma    | 5                                   | 5                 | -  | Yes  |
| Mr. Samrish Bhanja   | 5                                   | 5                 | -  | Yes  |

The details of the Board Meetings held during the financial year ended on 31.03.2017 are as under:

| Sl. No. | Date of Board Meeting held | Board Strength | No. of Directors present |
|---------|----------------------------|----------------|--------------------------|
| 1       | May 25, 2016               | 5              | 5                        |
| 2       | August 11, 2016            | 5              | 3                        |
| 3       | October 01, 2016           | 5              | 3                        |
| 4       | November 10, 2016          | 5              | 5                        |
| 5       | February 09, 2017          | 5              | 5                        |

## INFORMATION AVAILABLE TO THE BOARD

During the financial year ended March 31, 2017, information as mentioned in regulation 17(7) and Schedule II of SEBI (LODR) Regulation, 2015 has been placed before the Board for its consideration.

The aforesaid information is generally provided as a part of the agenda of the Board meeting and/ or is placed at the table during the course of the meeting. The CFO and other senior management staff are also invited to the Board Meetings to present reports on the Company's operations and internal control systems. The Company Secretary, in consultation with the Chairman, prepares the agenda. The detailed agenda is sent to the Members a week before the Board Meeting date. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted to be taken up as 'any other item'. Sensitive subject matters are being discussed at the meeting without written material being circulated in advance. All Board Members are at liberty to suggest agenda items for inclusion. Further, the Board periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

### Code of Conduct

The Company has updated its Code of Conduct (Code) from time to time to bring it in line with the regulatory changes. The duties of independent Directors of the Company have been incorporated in the Code to make it more robust.

The Code is applicable to the Company and its subsidiaries including its Directors, employees, officers and service providers & contractors working for and / or on behalf of the Company. Details of the Code are available on the website of the Company viz. [www.moserbaer.com](http://www.moserbaer.com)

All Directors and employees including senior management of Moser Baer India Limited have affirmed compliance with the Code for the year ended March 31, 2017.

## 3. BOARD COMMITTEES

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

The Board currently has following Committees:

- A. Audit Committee;
- B. Nomination and Remuneration Committee;
- C. Stakeholders' Relationship Committee;
- D. Corporate Governance Committee;

- E. Banking and Finance Committee;
- F. Allotment Committee
- G. Corporate Social Responsibility Committee
- H. FCCB Committee and
- I. Risk Management Committee

#### A. AUDIT COMMITTEE

The Company has an adequately qualified Audit Committee and its composition meets the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 & Schedule II of SEBI (LODR) Regulation, 2015 (Listing Regulations). The Board has re-defined the roles and responsibilities of the Committee as per the regulatory requirements mandated by Companies Act, 2013 and Listing Regulations.

##### i) Terms of Reference

The terms of reference of this Committee covers the matters specified for Audit Committee under regulation 18(2)(c) & 18(3) of SEBI (LODR) Regulation, 2015 read with Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee inter- alia includes the following:

##### *Powers of the Audit Committee*

- 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.

##### *Role of the Audit Committee*

1. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause(c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;



12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall also have following powers with respect to Moser Baer Distribution Limited (formerly known as 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 Distribution Limited (formerly known as Moser Baer SEZ Developers 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 Distribution Limited (formerly known as 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 Distribution Limited (formerly known as Moser Baer SEZ Developer Limited) and Moser Baer Entertainment Limited, if any
- viii. 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.

**ii) Composition, meetings & attendance of the Committee**

As on March 31st, 2017, the Committee comprised of Mr. Sanjay Jain as Chairman, Mr. Deepak Puri, Mr. Vineet Sharma and Mr. Samrish Bhanja as members of the Committee.

During the year, the Committee met five times, i.e. on May 25, 2017, August 11, 2016, October 01, 2016, November 10, 2016 and February 09, 2017.

The particulars of meetings and attendance by the Members of the Committee during the year under review are given in the table below:

| Members                    | Committee Meetings held during the period | Meetings attended |  |
|----------------------------|---|-------------------|--|
|                            |   | Present in Person | Attended through Audio/ Video conferencing |
| Mr. Sanjay Jain (Chairman) | 5   | 5                 | -  |
| Mr. Deepak Puri            | 5   | 2                 | -  |
| Mr. Vineet Sharma          | 5   | 5                 | -  |
| Mr. Samrish Bhanja         | 5   | 5                 | -  |

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

The Chairman of the Committee was present at the Annual General Meeting held on Friday, September 30, 2016. The gap between two Committee meetings did not exceed One hundred and twenty days.

## B. NOMINATION AND REMUNERATION COMMITTEE

The Company has a duly constituted Nomination & Remuneration Committee as per requirements of Companies Act, 2013 and Listing Regulations. The Committee inter-alia is responsible for identifying and recommending persons who are qualified to become Directors or appointed as part of senior management of the Company and laying down remuneration policy. The composition of the Committee is as follows:

### (i) Composition and attendance at the meeting of the Committee

As on 31.03.2017, the Committee comprises of three non-executive independent directors viz. Mr. Sanjay Jain (Chairman), Mr. Vineet Sharma (Member) and Mr. Samrish Bhanja (Member). The Company Secretary acts as the Secretary to the Committee. During the year, the Committee met on November 10, 2016

| Members                    | Committee Meetings held during the year | Meetings attended |   |
|----------------------------|---|-------------------|---|
|                            |   | Present in Person | Attended through Audio / Video conferencing |
| Mr. Sanjay Jain (Chairman) | 1                                       | Yes               | -   |
| Mr. Vineet Sharma          | 1                                       | Yes               | -   |
| Mr. SamrishBhanja          | 1                                       | Yes               | -   |

### (ii) Terms of reference

- Formulation of criteria for determining qualifications, positive attributes, and independence of a director and recommend to the Board a policy, relating to the remuneration of a director, key managerial personnel and other employees
- Formulation of criteria for evaluation of Independent Directors and the Board
- Devising a policy on Board Diversity
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To administer the Employees Stock Option (ESOP) and the Directors' Stock Option Plan (DSOP) of the Company

### (iii) Responsibilities and authorities of the Nomination and remuneration Committee

- The Nomination and Remuneration Committee reviews and approve for the Executive Directors of the Company:-
  - The annual base salary,
  - Annual incentive bonus, if any,
  - Any other benefits, compensation or arrangements.
- The Nomination and Remuneration Committee evaluates, and if necessary, amend performance parameters of the Executive Directors;
- The Nomination and Remuneration Committee may make recommendations to the Board in relation to incentive plans for the Executive Directors; and
- Administer the ESOP and DSOP plans of the Company.

### (iv) Remuneration Policy

The Company has formulated a policy relating to the remuneration for the directors, key managerial personnel and other employees and the same is part of Directors Report as Annexure - 1

### v) Remuneration paid to Directors

#### a) Executive Directors

The details of the remuneration paid and payable to Mr. Deepak Puri (Managing Director), Mrs. Nita Puri (Whole Time Director) during the financial year ended on March 31, 2017 are as follows:

(Amount in Rs.)

| Particulars                    | Mr. Deepak Puri,<br>Managing Director | Mrs. Nita Puri,<br>Whole Time Director |
|--------------------------------|---------------------------------------|--|
| Salaries, allowances and bonus | 1,19,70,000                           | 37,80,180                              |
| Perquisites                    | -                                     | -                                      |
| <b>TOTAL</b>                   | <b>1,19,70,000</b>                    | <b>37,80,180</b>                       |

**Notes:**

1. The remuneration has been accrued in the books subject to the limits specified in Schedule V of the Companies Act, 2013 and/or as approved by the Central Government.
2. As the future liability for gratuity and leave encashment is provided on actuarial valuation basis for the company as a whole, the amount pertaining to the directors is not ascertainable and therefore not included above.

**Service Contracts, Notice Period, Severance Fees**

Mr. Deepak Puri was appointed as Managing Director w.e.f. September 01, 2014 for a period of three years. Mrs. Nita Puri was appointed as Whole-Time Director w.e.f. December 01, 2014 for a period of three years. Their re-appointment is proposed for approval of the shareholders in ensuing Annual General Meeting.

The tenure of Executive Directors can be terminated by either party by giving three months' notice in writing. There is no separate provision for payment of severance fees.

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.

No stock options were granted to the Executive Directors of the Company.

**b) Non-Executive Directors**

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

*(i) Stock Options*

There were no options granted to the Directors during the year under review.

*(ii) Commission*

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

*(iii) Sitting Fees*

During the financial year ended on March 31st, 2017, the non-executive Directors were paid sitting fees of Rs. 20,000 for each Board Meeting and Rs. 10,000 for each Committee meeting attended by them.

*(iv) Service Contracts, Notice Period, Severance Fees*

No severance fees is payable to directors.

**C. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee of the Board oversees redressal of shareholder and investor grievances, and, inter alia, approves sub-division/Consolidation/ issue of the duplicate share certificate, transmission of shares etc.

**i) Constitution and Composition of the Committee**

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

| Members                    | No. of meetings attended |   | Date of Meetings  |
|----------------------------|--------------------------|---|-------------------|
|                            | Present in Person        | Attended through Audio / Video conferencing |                   |
| Mr. Sanjay Jain (Chairman) | 4                        | -   | May 25, 2016      |
| Mr. Deepak Puri            | 2                        | -   | August 11, 2016   |
| Mrs. Nita Puri             | 2                        | -   | November 10, 2016 |
| Mr. SamrishBhanja          | 4                        | -   | February 09, 2017 |

The Company Secretary acts as the Secretary of the Committee.

## ii) Terms of reference

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

- i. To consider and resolve the grievances of security holders of the Company;
- ii. Non- Receipt of transfer of shares;
- iii. Matters relating to dematerialization/rematerialization of shares;
- iv. Non-receipt of Annual Reports;
- v. Non-receipt of Dividend;
- vi. All other allied matters.

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 Share Transfer Agent Limited.

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

Mr. Neeraj Parmar : Company Secretary  
Telephone numbers : (011) 40594444  
Fax numbers : (011) 41635211/ 26911860

## iii) Information regarding complaints received from the shareholders through SEBI, NSE and BSE during the year April 01, 2016 to March 31, 2017

| Nature of the complaints                 | Received | Replied satisfactorily | Pending  |
|--|----------|------------------------|----------|
| Relating to transfer, transmission, etc. | 2        | 2                      | 0        |
| Relating to dematerialization            | 0        | 0                      | 0        |
| Relating to dividend                     | 1        | 1                      | 0        |
| Relating to bonus                        | 1        | 1                      | 0        |
| Relating to Annual Report                | 0        | 0                      | 0        |
| Relating to miscellaneous matters        | 0        | 0                      | 0        |
| <b>TOTAL</b>                             | <b>4</b> | <b>4</b>               | <b>0</b> |

No share was pending for transfer as on March 31, 2017.

## D. CORPORATE GOVERNANCE COMMITTEE

The primary role of the Corporate Governance Committee is strategic management of the Company's businesses within Board approved direction/ framework in the order to strengthen the stakeholder's wealth.

### (i) Constitution and Composition of the Committee

The Committee comprises of three members i.e. Mr. Deepak Puri, Mr. Sanjay Jain and Mr. Vineet Sharma. The Company Secretary acts as the Secretary of the Committee.

### (ii) Terms of reference

- a) To evaluate the current composition, organization and governance of the Board and its Committees, as well as determine future requirements and make recommendations in this regard to the Board for its approval.
- b) To recommend the appointment of such Directors on the Board who are of proven competence and have adequate professional experience.
- c) To oversee the evaluation of the Board.
- d) To recommend to the Board, Director Nominees for each Committee of the Board.
- e) To coordinate and approve Board and Committee meeting schedules.
- f) To make regular reports to the Board on the matters listed herein and on such other matters as may be referred to it by the Board from time to time.
- g) To advise the Company on the best business practices being followed on corporate governance issues world-wide and to implement those in the Company appropriately.

- h) To appoint any outside agency to report on corporate governance matters.
- i) To appoint consultants in this regard and to obtain and implement their advise, reports or opinions.
- j) To recommend to the Board the governance structure for management of affairs of the Company.
- k) To review and re-examine this charter annually and make recommendations to the Board for any proposed changes.
- l) To annually review and evaluate its performance.

#### **E. BANKING AND FINANCE COMMITTEE**

##### **(i) Composition**

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

##### **(ii) Terms of reference**

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

#### **F. ALLOTMENT COMMITTEE**

The Committee comprises Mr. Deepak Puri as Chairman of the Committee, Mrs. Nita Puri, Mr. Sanjay Jain and Mr. Vineet Sharma as members of the Committee. The Company Secretary acts as Secretary of the Committee. Following are the roles and powers of Allotment Committee:

- Issue and Allotment of securities as defined in Section 2(h) of the Securities Contracts (Regulation) Act, 1956 as amended.
- Issue of Letter of Allotment / new Certificate on Allotment etc.
- To do all such acts, deeds and things as may necessary for the allotment of securities.

#### **G. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

##### **(i) Composition**

Mr. Deepak Puri is the Chairman of this Committee. The other members of the Committee are Mrs. Nita Puri and Mr. Sanjay Jain. During the year, one meeting was held on May 25, 2016.

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

- (a) To interpret the organizational CSR objectives and set up specific goals to be achieved towards these objectives.
- (b) To make periodical appraisal of CSR initiatives.
- (c) To decide about resource allocation for each of the focus areas from its corpus.
- (d) To prepare and place before the Board the CSR Annual Report.
- (e) To prepare and lay before the Board 'the Action Plan' for the ensuing year.
- (f) To set up a Trust, to contribute to the trust such funds as may be required from the overall corpus for CSR activity.
- (g) To appoint the Standing Committees and other Committees or sub- Committees, as may be necessary from time to time.
- (h) To delegate any or all of its powers to the Chairman of the Board of Directors, other Committees or Sub-Committees duly appointed.
- (i) To select representatives/candidates from among the members of the Committee for participation in national and international seminars/conferences, workshops, study tours and training courses. The cost shall be borne by the Committee from the CSR budget. However, in case of the Chairman of the Board of Directors, the cost shall be borne by the Company.

#### **H. FCCB COMMITTEE**

The Committee comprises of Mr. Deepak Puri as Chairman, Mr. Sanjay Jain and Mr. Samrish Bhanja as member of the Committee. The roles and responsibilities of the Committee are to handle, resolve and execute the issues relating to or emerging out of the restructuring/refinancing process of Foreign Currency Convertible Bonds. The Company Secretary acts as Secretary to the Committee. The Committee met on August 11, 2016 during the year.

The Committee is authorized to do the following acts:

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

- b. To undertake all such actions and make all such payments as may be deemed necessary to give effect to such restructuring options agreed to by the FCCB Committee, subject to applicable law;
- c. To finalise and send notices to the Trustee and/or the Outstanding Bondholders;
- d. To make application to the Reserve Bank of India and such other authorities as may be required for the restructuring/refinancing of the Outstanding Bonds;
- e. To appoint and to ratify the appointment of, if required, the Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Lawyers, Advisors and all such Agencies as may be involved or concerned in such restructuring/refinancing and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on one or more National and/or International Stock Exchange(s);
- f. To finalise and circulate to the Outstanding Bondholders or new investors an offering circular, memorandum, or any other relevant documents as may be required for the proposed restructuring/refinancing of the Outstanding Bonds;
- g. To issue and allot such number of Equity Shares and other securities including FCCBs as may be required to be issued and allotted upon conversion/exchange, in accordance with the terms of the offering. All such Equity Shares shall rank 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 in the offering documents;
- h. To determine the form, terms and timing of the restructuring/refinancing, including but not limited to the number of new bonds to be allotted, issue price, face value, premium amount, rate of interest, conversion price and period, listings on one or more stock exchanges in India and / or abroad as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the Issue(s);
- i. To finalize the allotment of new bonds in respect of the subscriptions received, basis of allotment in case of over-subscription, accept and appropriate the proceeds of the issue;
- j. To approve the offer document and filing the same with any authority or persons as may be required;
- k. To approve 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;
- l. 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;
- m. 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;
- n. To issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of each offering, all such Equity Shares ranking pari-passu with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and each of the offering documents;
- o. 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;
- p. To mortgage and/or create a charge on all or any of the moveable, immovable 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.
- q. 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.
- r. Taking decision to open the issue, decide issue opening and closing dates of each offering;
- s. Opening and operating such banks accounts, escrow account and demat accounts as may be required for the transaction;
- t. 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
- u. 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.
- v. To determine the timing, pricing and all the terms and conditions for the aforesaid purchases or tender offers subject to applicable law;
- w. To make 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

- x. 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. RISK MANAGEMENT COMMITTEE

Mr. Deepak Puri, Managing Director is Chairman of the Committee. Mrs. Nita Puri, Director and Mr. Yogesh B. Mathur, Group CFO are the members of the Committee. The Company Secretary acts as Secretary of the Committee. The Committee met twice during the financial year under review and all the members were present. The terms of reference of the Committee are:

1. The Committee shall ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
2. The Committee shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner.
3. The Committee will coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities.
4. The Committee may form and delegate authority to sub Committees when appropriate
5. The Committee shall review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.
6. The Board shall review the performance of the Committee annually.
7. The Committee shall have access to any information necessary to fulfill its oversight role. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

#### 4. UNLISTED MATERIAL INDIAN SUBSIDIARY COMPANIES

Regulation 16(1)(c) of SEBI(LODR) Regulation, 2015 defines a "material subsidiary" as a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

As per the Regulation 24(1) of SEBI(LODR) Regulation, 2015, Moser Baer Solar Limited has been classified as unlisted material subsidiary of the Company. The Company has complied with the requirement of appointing of one of its Independent directors Mr. Sanjay Jain, on the Board of the above mentioned unlisted material 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.

The Company has formulated a policy for determining 'material' subsidiaries and such policy is disclosed on company's website and a web link of the same is [www.moserbaer.com](http://www.moserbaer.com)

#### 5. RECONCILIATION OF SHARE CAPITAL AUDIT

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

#### 6. COMPLIANCE WITH SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

In pursuance of Code of Conduct for dealing in securities by insiders and code for disclosure of unpublished price sensitive Information, 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 |
|---|--|---|
| Friday, 13th May, 2016 till Friday, 27th May 2016               | Consideration of audited financial results for the quarter / year ended March 31, 2016.                  | Wednesday, May 25, 2016                                   |
| Wednesday, 27th July, 2016 till Saturday, 13th August, 2016     | Consideration of the Un-audited financial result for the quarter ended on June 30, 2016.                 | Thursday, August 11, 2016                                 |
| Saturday, 29th October, 2016 till Saturday, 12th November, 2016 | Consideration of the Un-audited financial result for the quarter/ half year ended on September 30, 2016. | Thursday, November 10, 2016                               |
| Monday, 30th January, 2017 till Wednesday, 15th February 2017   | Consideration of un-audited financial results for the quarter ended December 31, 2016.                   | Thursday, February 9, 2017                                |
| Monday, 8th May, 2017 till Thursday, 25th May, 2017             | Consideration of audited financial results for the quarter / year ended March 31, 2017.                  | Tuesday, May 23, 2017                                     |

## 7. GENERAL BODY MEETINGS:

### A. ANNUAL GENERAL MEETING

- a) Location and time, where last 3 (Three) Annual General Meetings were held:

| AGM  | Financial year ended on | Venue  | Date               | Time      |
|------|-------------------------|--|--------------------|-----------|
| 33rd | 31.03.2016              | Shri Ram Centre Auditorium, 4, Safdar Hashmi Marg, New Delhi 110001                                    | September 30, 2016 | 9.30 A.M. |
| 32nd | 31.12.2014              | Sri Sathya Sai International Centre, Pragati Vihar, Bhasham Pitamah Marg, Lodhi Road, New Delhi 110003 | June 30, 2015      | 9.30 A.M. |
| 31st | 31.12.2013              | FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi- 110001                      | July 04, 2014      | 9.30 A.M. |

- b) Special Resolutions passed in the previous 3 (three) Annual General Meeting were held:

| Date of AGM        | Special Resolutions   |
|--------------------|---|
| September 30, 2016 | a) a) Authorization for issue and allotment of equity shares ADR / GDR/FCCB etc for a value up to USD 125 million   |
| June 30, 2015      | a) Authorization for issue and allotment of equity shares ADR / GDR/FCCB etc for a value up to USD 125 million<br>b) Approval to terminate Directors' stock option plan 2005<br>c) Approval to terminate ESOP 2004 and ESOP 2009<br>d) Consider and approve scheme of ESOP plan 2015 for the employee of the company<br>e) Consider and approve scheme of ESOP plan 2015 for the employees of subsidiaries  |
| July 04, 2014      | a) Re-appointment of Mr. Deepak Puri as Managing Director of the Company for a period of three years with effect from September 01, 2014<br>b) Re-appointment of Mrs. Nita Puri as Whole Time Director of the Company for a period of three years with effect from December 01, 2014<br>c) Authorization to the Board of Directors for borrowings up to an amount of Rs. 3000 crores as per section 180(1) (c) of the Companies Act, 2013<br>d) Authorization to the Board of Directors to mortgage / charges / hypothecate up to an amount of Rs. 3000 crores as per section 180(1) (a) of the Companies Act, 2013 |

### B. POSTAL BALLOT

- a) Whether special resolutions were put through postal ballot this year, details of voting pattern: No
- b) There is no special resolution being put to vote through postal ballot in the ensuing Annual General Meeting.

## 8. 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 39 of the Balance Sheet as at March 31, 2017. 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.

Further, the Board has formulated a policy on Related Party Transactions and disclosed the same on its website [www.moserbaer.com](http://www.moserbaer.com).

- 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) As per requirements of the Companies Act, 2013, the Company has established Vigil Mechanism for directors and employees to report genuine concerns and to allow access of any personnel to approach the Management or the Audit Committee on any issue.
- e) The Company has complied with the mandatory requirements of Regulations 16-27 and 46(2) of SEBI (LODR) regulations, 2015.



## 9. 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) Business Standard
  - (ii) The Financial Express
  - (iii) The Pioneer
  - (iv) Veer Arjun
  - (v) Jan Satta

| The details of the publications of the financial results in the year under review are as under : | Publication Date  |
|--|-------------------|
| Audited financial results for the quarter and year ended on March 31, 2016                       | May 27, 2016      |
| Un-audited financial results for the quarter ended on June 30, 2016                              | August 13, 2016   |
| Un-audited financial results for the quarter/half year ended on September 30, 2016               | November 12, 2016 |
| Un-audited financial results for the quarter ended on December 31, 2016                          | February 11, 2017 |
| Audited financial results for the quarter and year ended on March 31, 2017                       | May 25, 2017      |

- b) The Company also ensures that these results are promptly and prominently displayed on the Company's website:- [www.moserbaer.com](http://www.moserbaer.com)
- 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 ending on March 31, 2017.

## 10. GENERAL SHAREHOLDER INFORMATION

- a) 34th ANNUAL GENERAL MEETING

Date : September 28, 2017  
 Time : 09:30 A.M  
 Venue : New Delhi YMCA Tourist Hostel Auditorium,  
 1, Jaisingh Road, New Delhi 110001

- b) FINANCIAL CALENDAR : 2017-18

For the financial year 2017-18, results were/will be announced by

First Quarter Results September 14, 2017  
 Second Quarter and Half yearly Results December 14, 2017  
 Third Quarter Results February 14, 2018  
 Fourth Quarter May 30, 2018

- c) BOOK CLOSURE : 22nd September, 2017 to 28th September, 2017 (both days inclusive)
- d) LISTING

The Equity Shares of the Company (ISIN INE739A01015) are listed at the following Stock Exchanges:

| Sl. No. | Name & Address of the Stock Exchange   | Stock Code |
|---------|--|------------|
| 1       | Mumbai Stock Exchange Limited<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai- 400 001                         | 517140     |
| 2       | National Stock Exchange of India Limited<br>'Exchange Plaza', Bandra – Kurla Complex, Bandra (East), Mumbai- 400 051 | MOSERBAER  |

There is delay in payment of Annual Listing Fees pertaining to the year 2017-18 to the concerned Stock Exchanges. The Company is yet to make part/full payment of the Annual Custodian Fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for the financial year 2017-18, based on the folio/ISIN positions as on 31.03.2017.

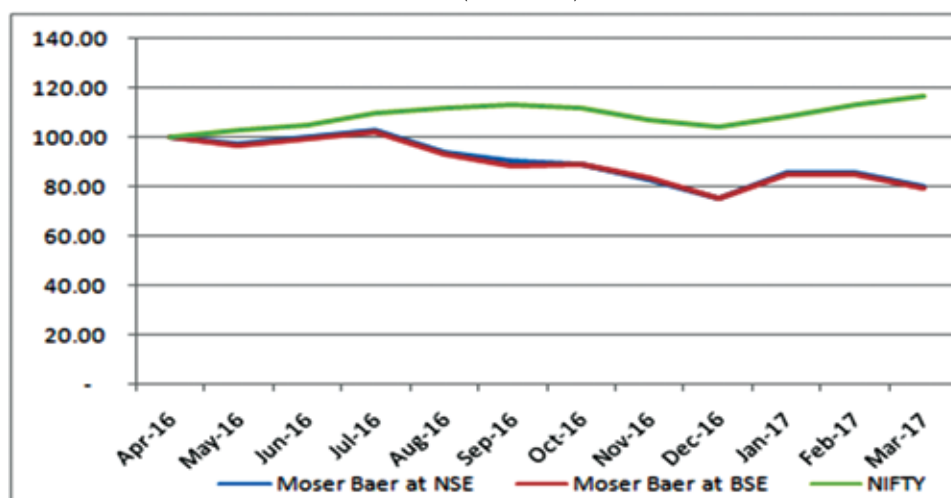
e) STOCK PRICE DATA

Stock Market Data at BSE and NSE for the year April 1, 2016 to March 31, 2017

Monthly high and low quotations of shares traded at the BSE Limited (BSE) and National Stock Exchange Ltd. (NSE) are as follows:

|                 | MBIL at NSE |      | NSE     |         | MBIL at BSE |      | BSE       |           |
|-----------------|-------------|------|---------|---------|-------------|------|-----------|-----------|
|                 | High        | Low  | High    | Low     | High        | Low  | High      | Low       |
| April, 2016     | 9.45        | 8.30 | 7992.00 | 7516.85 | 9.48        | 8.35 | 26,100.54 | 24,523.20 |
| May, 2016       | 9.40        | 7.95 | 8213.60 | 7678.35 | 9.35        | 7.92 | 26,837.20 | 25,057.93 |
| June, 2016      | 10.25       | 7.50 | 8308.15 | 7927.05 | 10.25       | 7.50 | 27,105.41 | 25,911.33 |
| July, 2016      | 9.80        | 8.50 | 8674.70 | 8287.55 | 9.75        | 8.50 | 28,240.20 | 27,034.14 |
| August, 2016    | 8.95        | 7.75 | 8819.20 | 8518.15 | 9.15        | 7.55 | 28,532.25 | 27,627.97 |
| September, 2016 | 8.80        | 7.25 | 8968.70 | 8555.20 | 8.80        | 6.99 | 29,077.28 | 27,716.78 |
| October, 2016   | 8.35        | 7.55 | 8806.95 | 8506.15 | 8.32        | 7.58 | 28,477.65 | 27,488.30 |
| November, 2016  | 8.70        | 6.10 | 8669.60 | 7916.40 | 8.68        | 6.20 | 28,029.80 | 25,717.93 |
| December, 2016  | 7.10        | 6.30 | 8274.95 | 7893.80 | 7.10        | 6.32 | 26,803.76 | 25,753.74 |
| January, 2017   | 8.55        | 6.65 | 8672.70 | 8133.80 | 8.51        | 6.66 | 27,980.39 | 26,447.06 |
| February, 2017  | 8.30        | 6.90 | 8982.15 | 8537.50 | 8.28        | 6.90 | 29,065.31 | 27,590.10 |
| March, 2017     | 7.65        | 6.55 | 9218.40 | 8860.10 | 7.63        | 6.51 | 29,824.62 | 28,716.21 |

f) STOCK PERFORMANCE IN COMPARISON TO NSE INDEX (CNX NIFTY):



g) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017

| No. of Equity Shares held | No. of shareholders | % age of shareholders | No. of shares    | % age of shares |
|---------------------------|---------------------|-----------------------|------------------|-----------------|
| 1-500                     | 83376               | 73.45                 | 12295301         | 5.54            |
| 501-1000                  | 13151               | 11.59                 | 11163974         | 5.03            |
| 1001-2000                 | 7316                | 6.45                  | 11603804         | 5.23            |
| 2001-3000                 | 2899                | 2.55                  | 7578202          | 3.42            |
| 3001-4000                 | 1398                | 1.23                  | 5093397          | 2.3             |
| 4001-5000                 | 1406                | 1.24                  | 6769271          | 3.05            |
| 5001 to 10000             | 2157                | 1.9                   | 16318358         | 7.36            |
| 10001 to 50000            | 1546                | 1.36                  | 31177128         | 14.06           |
| 50001 to 100000           | 182                 | 0.16                  | 12944057         | 5.84            |
| 100001 & above            | 80                  | 0.07                  | 106822491        | 48.17           |
| <b>Total</b>              | <b>113511</b>       | <b>100</b>            | <b>221765983</b> | <b>100</b>      |

#### **h) REGISTRAR AND SHARE TRANSFER AGENTS**

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

M/s. MCS Share Transfer Agent 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. S. Biswas. He can be contacted at the following numbers:-

Phone numbers: (011) 41406149-41406151

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

#### **i) 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 Share Transfer Agent 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.

#### **j) 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, 2017, 99.61% shares were held in dematerialized mode and 95.01% of the total shareholders of the Company are holding shares in dematerialized mode.

#### **k) PUBLIC ISSUE, RIGHT ISSUE, PREFERENTIAL ISSUE AND GDR/ADR ETC.:**

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

#### **l) LOCATION OF PLANTS**

- i. 66, Udyog Vihar Industrial Area, Greater Noida, U.P.-201306
- ii. 66-B, Udyog Vihar Industrial Area, Greater Noida, U.P.-201306
- iii. A-164, Sector 80 Noida- II, Distt. Gautam Budh Nagar U.P.-201305
- iv. A-119, Sector 80 Noida- II, Distt. Gautam Budh Nagar U.P.-201305

Operations at the factory situated at 66, NEPZ and A-164, Noida, District- Gautam Budh Nagar U.P.-201305 are suspended.

**m) CONVERTIBLE SECURITIES**

As on March 31, 2017, no convertible securities including Global Depository Receipts were outstanding for conversion into an equal number of Equity Shares except FCCB.

**n) ADDRESS FOR INVESTOR CORRESPONDENCE**

|      |  |   |
|------|--|---|
| (i)  | Registrar and Share Transfer Agent<br><i>(All correspondence regarding transfer and dematerialization of share certificates)</i> | MCS Share Transfer Agent Limited<br>F- 65, 1st Floor, Okhla Industrial Area, Phase- I,<br>New Delhi – 110 020<br>Phone No.: 011-41406149-41406151<br>Fax No.: 011-41709881<br>E-mail: admin@mcsregistrars.com |
| (ii) | Company <i>(For any other information)</i>   | Company Secretary<br>Moser Baer India Limited<br>43-B, Okhla Industrial Estate,<br>New Delhi 110020<br>Phone No.: 011-40594444<br>Fax No.: 011-41635211/26911860<br>E-mail: shares@moserbaer.in               |

**11. OTHER INFORMATION**

- In terms of the provisions of Section 205C of the Companies Act, 1956, unclaimed equity dividends from the years 1997-98 to 2008-09 have been transferred to the Investor Education and Protection Fund as per law.
- The Company shall transfer the amount remaining unpaid in its dividend account for the year 2009-10 to the Investor Education and Protection Fund in the month of October, 2017.
- A brief resume as required under this clause of the Directors seeking reappointment has been provided in the Notice calling the Annual General Meeting

**12. 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. Shareholder Rights**

A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.

**3. Modified opinion(s) in audit report**

The Company has financial statements with modified audit opinion.

**4. Separate posts of chairperson and chief executive officer**

The Company shall continue with the single person to the post of chairperson and managing director.

**5. Reporting of internal auditor**

The internal auditor reports directly to the audit committee.

**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 separately.

**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, 2017, all the Board members and Senior Management Personnel have affirmed compliance with the code of ethics for Directors and Senior Management respectively.

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

Date: August 22, 2017  
Place: New Delhi

Deepak Puri  
Chairman & Managing Director

**Secretarial Auditor's certificate on compliance with the conditions of Corporate Governance under Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015**

To the Members of Moser Baer India Limited

We have examined the compliance of conditions of Corporate Governance by Moser Baer India Limited ("the Company"), for the period ended on 31st March 2017, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations, for the period April 1, 2016 to March 31, 2017.

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

In our opinion and to the best of our information and according to the explanations given to us, we certified that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing regulations.

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

**For Kundan Agrawal & Associates**  
**Company Secretaries**  
**FRN: S2009DE113700**

**Place: Delhi**  
**Date: 22.08.2017**

**Kundan Agrawal**  
**Company Secretary**  
**Membership No.:- F7631**  
**C.P. No. 8325**

## MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATE

Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

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

- A. We have reviewed financial statements and the cash flow statement for the Financial year ended on 31st March, 2017 and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity'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 listed entity during the year which are fraudulent, illegal or violative of the listed entity'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 listed entity 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
  - (1) that there are no significant changes in internal control over financial reporting during the year;
  - (2) that there are no significant changes in accounting policies during the year; and
  - (3) that there are no instances of significant fraud of which we are aware.
- E. We affirm that we have not denied any personnel access to the audit committee of the company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair or prejudicial employment practices.
- F. We further declare that all Board members and senior management personnel have affirmed compliance with Code of Conduct and Ethics for the year covered by this report.

Date: 23rd May, 2017  
Place: New Delhi

**Deepak Puri**  
**Chairman &**  
**Managing Director**

**Yogesh Mathur**  
**Group CFO**

# Independent Auditor's Report

## To the Members of Moser Baer India Limited

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Moser Baer India Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone 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 prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on these standalone financial statements.

#### Basis for Qualified Opinion

8. As explained in note 45 to the standalone financial statements, the Company's short term borrowings and other current liabilities as at March 31, 2017 include balance payable to various lender banks amounting to Rs.7,586,441,082 and Rs.15,700,359,440 respectively. These lender banks have taken an exit from Corporate Debt Restructuring Cell on October 10, 2016. As a result, the accounting for these balances should be as per the original agreements entered with such lender banks. However, in absence of definitive agreement with the banks with respect to calculation of interest and loan liability and reconciliation of outstanding debt with the lender banks, we are unable to comment upon the possible impact of such exit in carrying value of aforesaid short term borrowings, other current liabilities as on March 31, 2017 and interest expense (including penal interest, if any) for the year ended March 31, 2017 and the consequential impact on the accompanying standalone financial statements.
9. As explained in note 13(b) to the standalone financial statements, the Company has fixed assets aggregating to Rs.4,170,872,372 in respect of which management recorded an impairment loss of Rs.610,000,000 in year ended March 31, 2017. In the absence of sufficient and appropriate audit evidence with respect to the uncertainty underlying the assumptions used in the long term projections referred to in note 13(b), we are unable to comment on the carrying value of aforesaid fixed assets as at March 31, 2017 and the consequential impact, if any, on the accompanying standalone financial statements.
10. As explained in note 47(a) to the standalone financial statements, the Company has an investment of Rs.166,865,334, trade receivables amounting Rs.344,190,858 and short term loans and advances (net of payables of Rs.14,409,834) amounting to Rs.4,270,919 in a wholly owned subsidiary as at March 31, 2017, being considered good and recoverable by the management. These balances are after netting off provision for diminution in value of investment and provision for doubtful trade receivables of Rs.247,643,000 and Rs.574,834,277 respectively already recorded by the Company during the year ended March 31, 2017. However, in the absence of sufficient appropriate audit evidence in respect of uncertainty underlying the assumptions used in the long term projections as referred to in the said note, we are unable to comment on the carrying value of these investments, trade receivables and short term loans and advances as at March 31, 2017, and provision for diminution in value of investment and doubtful trade receivable for the year ended March 31, 2017 and the consequential impact on the accompanying standalone financial statements.

## Qualified Opinion

11. In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2017, its loss and its cash flows for the year ended on that date.

## Emphasis of Matter

12. We draw attention to note 48 of the standalone financial statement which indicates that the Company has incurred a net loss of Rs.11,139,560,016 during the year ended March 31, 2017 and, as of that date, the Company's accumulated losses amounted to Rs.34,744,579,031 resulting in complete erosion of its net worth. Further, as of that date, the Company's current liabilities exceeded its current assets by Rs.33,984,160,899. These conditions, along with other matters as set forth in note 48 indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

14. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:

- a. we have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the standalone financial statements dealt with by this report are in agreement with the books of account;
- d. except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. the matters described in paragraph 8,9,10 and 12 under the Basis for Qualified Opinion/ Emphasis of Matters paragraph, in our opinion, may have an adverse effect on the functioning of the Company;
- f. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- g. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated May 23, 2017 as per Annexure II expressing a qualified opinion; and
- h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company, as detailed in note 32 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv. the Company, as detailed in note 19 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

per Neeraj Goel  
Partner  
Membership No.:099514

Place: New Delhi  
Date: May 23, 2017



**Annexure I to the Independent Auditor's Report of even date to the members of Moser Baer India Limited, on the standalone financial statements for the year ended March 31, 2017**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone 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, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three financial years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of Company. It has been explained to us that the originals of title deeds and possession letters of the leasehold land and building has been given as security (mortgage and charge) against the term loans and working capital facilities taken from banks and that original title deeds are kept with the security Trustee i.e Centbank Financial Services Limited as security for the benefit of the lenders and therefore the same could not be made available to us for our verification.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to 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 became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax 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 | Custom duty    | 13,924,896   | -                               | FY 2007-08   | CESTAT, Chennai  |
|                       | Custom duty    | 9,749,862    | -                               | FY 2008-09   | High Court of Allahabad                                  |
|                       | Custom duty    | 4,823,292    | 4,823,292                       | FY 2009-10 to 2011-12  | CESTAT, New Delhi  |
| Excise Duty Act, 1948 | Excise duty    | 34,008,269   | 94,307                          | FY 2008-09<br>FY 2009-10<br>FY 2011-12<br>FY 2012-13<br>FY 2013-14               | CESTAT, New Delhi  |
|                       | Excise duty    | 1,111,795    | 7,220                           | FY 2011-12 to 2013-14  | Assistant Commissioner Custom and Central Excise, Noida  |
|                       | Excise duty    | 150,621,689  | 24,470                          | FY 2007-08<br>FY 2010-11<br>FY 2011-12<br>FY 2012-13<br>FY 2013-14<br>FY 2014-15 | Commissioner Custom and Central Excise, Noida            |
|                       | Excise duty    | 7,773,736    | 356,530                         | FY 2010-11<br>FY 2011-12<br>FY 2012-13   | Additional Commissioner Custom and Central Excise, Noida |
|                       | Excise duty    | 744,493,187  | -                               | FY 2005-06<br>FY 2006-07<br>FY 2007-08   | Supreme Court  |

Annexure I to the Independent Auditor's Report of even date to the members of Moser Baer India Limited, on the standalone financial statements for the year ended March 31, 2017

| 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                   | Service tax     | 10,749,267   | 2,953,470                       | FY 2008-09                             | Commissioner Custom and Central Excise, Noida            |
|                                     | Service tax     | 851,450      | -                               | FY 2012-13 to FY 2013-16               | Commissioner Customs and Central Excise, Ghaziabad       |
|                                     | Service tax     | 10,316,085   | -                               | FY 2008-09 to 2010-11                  | Additional Commissioner Custom and Central Excise, Noida |
|                                     | Service tax     | 7,039,640    | -                               | 2011-12<br>2012-13                     | Commissioner Service Tax, Delhi.                         |
|                                     | Service tax     | 16,855       | -                               | FY 2008-09<br>FY 2009-10 to 2010-11    | Supreme Court of India                                   |
| Entry Tax Act, 2009                 | Entry tax       | 120,161,327  | 7,050,841                       | FY 1999-00 to 2001-02                  | High Court, Allahabad                                    |
|                                     | Entry tax       | 2,930,424    | 1,465,308                       | FY 2003-04 to 2007-08                  | Commercial Tax Tribunal, Noida                           |
|                                     | Entry tax       | 4,241,834    | 1,838,272                       | FY 2004-05<br>FY 2005-06<br>FY 2008-09 | Joint Commissioner, Noida                                |
|                                     | Entry Tax       | 1,207,223    | -                               | FY 2012-13                             | Deputy Commissioner, Raipur (Appeals)                    |
|                                     | Entry Tax       | 276,135      | 27,650                          | FY 2007-08                             | Deputy Commissioner, Raipur (Appeals)                    |
| Central Sales Tax Act, 1956         | Sales tax       | 19,329,340   | 7,408,830                       | FY 2006-07<br>FY 2008-09               | Commercial Tax Tribunal, Noida                           |
|                                     | Sales tax       | 5,168,782    | 4,572,177                       | FY 2007-08<br>FY 2011-12<br>FY 2012-13 | Additional Commissioner, (Appeals)                       |
|                                     | Sales tax       | 21,279,392   | -                               | FY 2013-14                             | Joint Commissioner, Noida                                |
|                                     | Sales tax       | 247,572      | -                               | FY 2015-16                             | Assistant Commissioner, Chennai                          |
| U.P. Trade Tax Act, 1948            | Value added tax | 5,364,113    | 3,094,774                       | FY 2006-07 to 2007-08                  | Commercial Tax Tribunal, Noida                           |
| Rajasthan Value Added Tax Act, 2003 | Value added tax | 1,229,714    | 77,200                          | FY 2011-12<br>FY 2012-13               | Appellate Authority                                      |
| U.P. Value Added Tax Act, 2008      | Value added tax | 8,774,504    | 6,327,068                       | FY 2000-08 to 2008-09<br>FY 2012-13    | Additional Commissioner, (Appeals)                       |
|                                     | Value added tax | 6,411,838    | 800,000                         | FY 2008-09                             | Commercial Tax Tribunal, Noida                           |
|                                     | Value added tax | 2,562,413    | -                               | FY 2013-14                             | Joint Commissioner, Noida                                |
| Kerala VAT Act, 2005                | Value added tax | 2,608,271    | 1,372,789                       | FY 2007-08<br>FY 2008-09               | Commercial Tax Assistant Commissioner, Ernakulam         |
| Chhattisgarh VAT Act, 2005          | Value added tax | 32,697       | 3,300                           | FY 2007-08                             | Deputy Commissioner Raipur (Appeals)                     |
| West Bengal VAT Act 2003            | Value added tax | 1,038,907    | -                               | FY 2009-10                             | Joint Commissioner, West Bengal                          |
| Income Tax Act, 1961                | Income tax      | 215,297,686  | 121,478,650                     | AY 2004-05 to AY 2010-11               | Income Tax Appellate Tribunal                            |

**Notes:**

- (i) FY - Financial year
- (ii) AY - Assessment year
- (iii) CESTAT - The Customs, Excise and Service Tax Appellate Tribunal

(viii) The Company has defaulted in repayment of dues (including interest) to the banks and financial institutions during the current year as well as in earlier years. As detailed in note 45 of the standalone financial statements, the lender banks have taken an exit from Corporate Debt Restructuring Cell on October 10, 2016 and in absence of definitive agreement with the banks with respect to calculation of interest and loan liability and reconciliation of outstanding debt with the lender banks, the information in respect of amount and period of delays for default in repayment of loan and interest cannot be ascertained.

Further, the Company has no loans or borrowings payable government and debenture-holders during the year.

**Annexure to the Independent Auditor's Report of even date to the members of Moser Baer India Limited, on the standalone financial statements for the fifteen months period ended March 31, 2016**

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

per Neeraj Goel  
Partner  
Membership No.:099514

Place: New Delhi  
Date: May 23, 2017

**Annexure II to the Independent Auditor's Report of even date to the members of Moser Baer India Limited, on the standalone financial statements for the year ended March 31, 2017**

**Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. In conjunction with our audit of the standalone financial statements of Moser Baer India Limited ("the Company") as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

**Management's Responsibility for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's IFCoFR

**Meaning of Internal Financial Controls over Financial Reporting**

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Qualified Opinion**

8. According to the information and explanations given to us and based on our audit, the following material weaknesses has been identified in the operating effectiveness of the Company's IFCoFR as at March 31, 2017:
  - (a) The Company has been unable to determine the impact of exit from CDR scheme on interest expense and carrying value of short term borrowings and other current liabilities in the absence of definitive agreement with the banks with respect to calculation of interest and loan liability and reconciliation of outstanding debt with lender banks. In the absence of sufficient and appropriate audit evidence, we are unable to comment on the operating effectiveness of controls over the carrying value of short term borrowings, other current liabilities as at March 31, 2017 and interest expense.
  - (b) We have not been provided sufficient and appropriate audit evidence with respect to uncertainty underlying the assumptions used in the long term projections for assessing the recoverable value of fixed assets. In the absence of such sufficient and appropriate audit evidence, we are unable to comment on the operating effectiveness of controls over completeness and accuracy of assumptions used in the long term projections and its potential impact on value of fixed assets as March 31, 2017 and depreciation, amortisation and impairment expense for the year.

- (c) We have not been provided sufficient and appropriate audit evidence with respect to uncertainty underlying the assumptions used in the long term projections for assessing the carrying value of investment, trade receivables and short term loan and advances in a wholly owned subsidiary. In the absence of such sufficient and appropriate audit evidence, we are unable to comment on the operating effectiveness of controls over completeness and accuracy of assumptions used in the long term projections and its potential impact on carrying value of investment and provision for other than temporary diminution in the value of investment.
9. A 'material weakness' is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weaknesses described above in paragraph 8 on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as at March 31, 2017.
11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended March 31, 2017, and these material weaknesses have affected our opinion on the financial statements of the Company and we have issued a modified opinion on the financial statements.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

per Neeraj Goel  
Partner  
Membership No.:099514

Place: New Delhi  
Date: May 23, 2017

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone Financials)

I. Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 2017 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

(Rs. in Lakhs)

| Sl. No. | Particulars   | Audited Figures (as reported before adjusting for qualifications) | Adjusted Figures (audited figures after adjusting for qualifications) |
|---------|---|---|---|
| 1       | Turnover / Total Income   | 56,098  | 56,098  |
| 2       | Total Expenditure   | 87,152  | 87,152  |
| 3       | Net Profit / (Loss)   | (1,11,396)  | (1,11,396)  |
| 4       | Earnings Per Share  | (50.23)   | (50.23)   |
| 5       | Total Assets  | 1,26,587  | 1,26,587  |
| 6       | Total Liabilities   | 417,142   | 417,142   |
| 7       | Net Worth   | (290,555)   | (290,555)   |
| 8       | Any other financial item(s) (As felt appropriate by the management) | -   | -   |

II. Audit qualification (each audit qualification separately)

a. Details of Audit Qualification

The audit report of Statutory Auditors contains the following qualifications on the standalone audited financial statement (the "statement"):

- As explained in note 2 of the statement, the Company's short term borrowings and other current liabilities as at 31 March 2017 include balances payable to various lender banks amounting to Rs. 75,864 lakhs and Rs. 1,57,004 respectively. These lender banks have taken an exit from Corporate Debt Restructuring Cell on 10 October 2016. As a result the accounting for these balances should be as per the original agreements entered with such lenders banks. However, in absence of definitive agreement with the banks with respect to calculation of interest and loan liability and reconciliation of outstanding debt with the lender banks, we are unable to comment upon the possible impact of such exit on the carrying value of aforesaid short term borrowings, other current liabilities as at 31 March 2017 and interest expense (including penal interest, if any) for the year ended 31 March 2017 and the consequential impact on the accompanying statement.
- As explained in note 3 of the statement, the Company has fixed assets aggregating to Rs. 41,709 lakhs in respect of which management recorded an impairment loss of Rs. 6,100 lakhs in quarter ended 30 September 2016. In the absence of sufficient and appropriate audit evidence with respect to the uncertainty underlying the assumptions used in the long term projections referred to in note 3, we are unable to comment on the carrying value of aforesaid fixed assets as at 31 March 2017 and the consequential impact, if any, on the accompanying statement.
- As explained in note 4 of the statement, the Company has an investment of Rs. 1,668 lakhs, trade receivables amounting to Rs. 3,442 lakhs and short term loans and advances (net of payables of Rs.144 lakhs) amounting to Rs. 43 lakhs in a wholly owned subsidiary as at 31 March 2017, being considered good and recoverable by the management. These balances are after netting off provision for diminution in value of investment and provision for doubtful trade receivables of Rs. 2,476 lakhs and Rs. 5,748 lakhs respectively already recorded by the Company during the year ended 31 March 2017 (during the quarter ended 31 March 2017: Rs. 1,927 lakhs and Rs. 1,900 lakhs respectively). However, in the absence of sufficient appropriate audit evidence in respect of uncertainty underlying the assumptions used in the long term projections as referred to in the said note, we are unable to comment on the carrying value of these investments, trade receivables and short term loans and advances as at 31 March 2017, and provision for diminution in value of investment and doubtful trade receivables for the year ended 31 March 2017 and the consequential impact on the accompanying statement.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification:

- has appeared in the current year ended 31 March 2017.
- has appeared in the current year ended 31 March 2017.
- has been appearing since period ended 31 December 2013.

In audit report on the financial statements for the nine months period ended 31 December 2013, year ended 31 December 2014 and fifteen months ended 31 March 2016 the auditors had given emphasis of matter on recoverability of investments and advances from Moser Baer Entertainment Limited.

d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views:

Management's Views: Not applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

- Unable to estimate.

(ii) If management is unable to estimate the impact, reasons for the same:

a) In absence of definitive agreement with the banks with respect to calculation of interest and loan liability, management is unable to comment upon the impact of such exit on the carrying value of aforesaid short term borrowings, other current liabilities and interest expense for the financial year ended 31 March 2017 and the consequential impact on the accompanying consolidated financial results.

b) As of 31 March 2017, management performed detailed assessment of impairment (using an independent valuation expert) of carrying value of fixed assets based on business valuation. Such assessment is based on the ability of the company to continue to operate its business over the foreseeable future and is therefore, impacted by the future outcome of certain matters such as negotiation with lenders banks for debt restructuring and revival of business operations. As per such assessment, Impairment of fixed assets for Rs. 6,100 lakhs has been made during the year. No further impairment in the carrying value of fixed assets is required.

c) As on 31 March 2017, management performed an assessment of impairment for its investments (using an independent valuation expert) in and advances/other receivables from one of the subsidiary company, Moser Baer Entertainment Limited as of 31 March 2017 to determine if there is any "other than temporary" diminution in the values of the investment and if outstanding receivables are recoverable. The future cash flows used in such assessment are dependent on the assumption of acceptance of debt resolution plan by lender banks of the Company and ability of this subsidiary company to continue to operate its business over the foreseeable future with the Company. Basis aforementioned assessment management has recorded an other than temporary provision for diminution in value of investment amounting to Rs. 2,476 lakhs and Rs. 5,748 lakhs towards provision for doubtful debts during the year ended 31 March 2017.

(iii) Auditors' Comments on (i) or (ii) above:

Since management could not ascertain the consequential impact, the auditors have given qualification in their standalone auditors' report.

### III. Signatories

- CEO / Managing Director
- CFO
- Audit Committee Chairman
- Statutory Auditor

Place: New Delhi

Date: May 23, 2017

**MOSER BAER INDIA LIMITED**  
**Balance sheet as at March 31, 2017**  
*(All amounts in rupees unless otherwise stated)*

|  | Notes | As at<br>March 31, 2017        | As at<br>March 31, 2016        |
|--|-------|--------------------------------|--------------------------------|
| <b>EQUITY AND LIABILITIES</b>  |       |                                |                                |
| <b>Shareholders' funds</b>   |       |                                |                                |
| Share capital  | 4     | 2,217,659,830                  | 2,217,659,830                  |
| Reserves and surplus   | 5     | <u>(31,273,120,656)</u>        | <u>(19,470,610,215)</u>        |
|  |       | <b><u>(29,055,460,826)</u></b> | <b><u>(17,252,950,385)</u></b> |
| <b>Non current liabilities</b>   |       |                                |                                |
| Long-term borrowings   | 6     | 82,500,000                     | 6,127,696,217                  |
| Other long term liabilities  | 7     | 1,694,272,488                  | 1,724,310,527                  |
| Long-term provisions   | 8     | <u>313,702,557</u>             | <u>272,959,903</u>             |
|  |       | <b><u>2,090,475,045</u></b>    | <b><u>8,124,966,647</u></b>    |
| <b>Current liabilities</b>   |       |                                |                                |
| Short term borrowings  | 9     | 7,586,441,082                  | 7,749,338,365                  |
| Trade payables   |       |                                |                                |
| - Total outstanding dues of micro enterprises and small enterprises                      | 44    | 24,997,413                     | 20,579,544                     |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 10    | 3,860,392,030                  | 3,566,657,202                  |
| Other current liabilities  | 11    | 24,077,473,717                 | 16,466,146,403                 |
| Short-term provisions  | 12    | <u>4,074,378,415</u>           | <u>3,329,076,719</u>           |
|  |       | <b><u>39,623,682,657</u></b>   | <b><u>31,131,798,233</u></b>   |
|  |       | <b><u>12,658,696,876</u></b>   | <b><u>22,003,814,495</u></b>   |
| <b>ASSETS</b>  |       |                                |                                |
| <b>Non current assets</b>  |       |                                |                                |
| Fixed assets   | 13    |                                |                                |
| - Tangible assets  |       | 4,143,608,257                  | 5,321,358,295                  |
| - Intangible assets  |       | 26,598,765                     | 57,885,553                     |
| - Capital work-in-progress   |       | 665,350                        | 47,250                         |
| Non-current investments  | 14    | 952,990,295                    | 4,357,961,065                  |
| Long-term loans and advances   | 15    | 299,491,478                    | 275,040,703                    |
| Other non-current assets   | 16    | <u>1,595,820,973</u>           | <u>2,845,744,684</u>           |
|  |       | <b><u>7,019,175,118</u></b>    | <b><u>12,858,037,550</u></b>   |
| <b>Current assets</b>  |       |                                |                                |
| Inventories  | 17    | 947,939,254                    | 1,994,465,221                  |
| Trade receivables  | 18    | 3,952,358,633                  | 5,233,122,893                  |
| Cash and bank balances   | 19    | 206,672,881                    | 229,230,323                    |
| Short term loans and advances  | 20    | 242,133,348                    | 592,668,580                    |
| Other current assets   | 21    | <u>290,417,642</u>             | <u>1,096,289,928</u>           |
| <b>Total current assets</b>  |       | <b><u>5,639,521,758</u></b>    | <b><u>9,145,776,945</u></b>    |
|  |       | <b><u>12,658,696,876</u></b>   | <b><u>22,003,814,495</u></b>   |

The accompanying notes from 1 to 51 are an integral part of these financial statements.  
This is the balance sheet referred to in our report of even date.

For **Walker Chandiook & Co LLP**  
Chartered Accountants

per **Neeraj Goel**  
Partner

Place: New Delhi  
Date: May 23, 2017

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

**Deepak Puri**  
Chairman and Managing Director  
DIN : 00002189

**Yogesh Mathur**  
Chief Financial Officer  
PAN: ACSPM5893M

**Nita Puri**  
Director  
DIN : 00002331

**Neeraj Parmar**  
AVP Legal and Company Secretary  
M.No: F4589



# MOSER BAER INDIA LIMITED

## Statement of profit and loss for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

|  | Notes | Year ended<br>March 31, 2017 | Period ended<br>March 31, 2016 |
|--|-------|------------------------------|--------------------------------|
| <b>REVENUE</b>   |       |                              |                                |
| Revenue from operations (gross)  | 22    | 5,841,167,784                | 8,136,375,095                  |
| Less: Excise duty  |       | 375,233,476                  | 540,463,403                    |
| Revenue from operations (net)  |       | <b>5,465,934,308</b>         | <b>7,595,911,692</b>           |
| Other income   | 23    | 143,883,096                  | 208,266,550                    |
| <b>Total revenue</b>   |       | <b>5,609,817,404</b>         | <b>7,804,178,242</b>           |
| <b>Expenses</b>  |       |                              |                                |
| Cost of materials consumed   | 24    | 2,924,731,013                | 3,842,534,576                  |
| Purchases of stock in trade  | 25    | 14,223,661                   | 124,389,894                    |
| Change in stock of finished goods, stock in trade and work in progress | 26    | 206,185,617                  | 566,753,377                    |
| Employee benefits expense  | 27    | 1,248,481,340                | 1,683,184,241                  |
| Depreciation and amortisation  | 28    | 621,395,160                  | 1,060,566,424                  |
| Finance cost   | 29    | 2,125,800,094                | 2,743,816,119                  |
| Other expenses   | 30    | 1,574,341,825                | 2,287,682,024                  |
| <b>Total expenses</b>  |       | <b>8,715,158,710</b>         | <b>12,308,926,655</b>          |
| <b>Loss before exceptional items and tax</b>                           |       | <b>(3,105,341,306)</b>       | <b>(4,504,748,413)</b>         |
| Exceptional items  | 31    | (8,034,218,710)              | (2,531,725,521)                |
| <b>Loss for the year/period</b>  |       | <b>(11,139,560,016)</b>      | <b>(7,036,473,934)</b>         |

### Loss per equity share (refer note 40):

|          |         |         |
|----------|---------|---------|
| -Basic   | (50.23) | (32.11) |
| -Diluted | (50.23) | (32.11) |

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

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

For **Walker Chandio & Co LLP**  
Chartered Accountants

per **Neeraj Goel**  
Partner

Place: New Delhi  
Date: May 23, 2017

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

**Deepak Puri**  
Chairman and Managing Director  
DIN : 00002189

**Yogesh Mathur**  
Chief Financial Officer  
PAN: ACSPM5893M

**Nita Puri**  
Director  
DIN : 00002331

**Neeraj Parmar**  
AVP Legal and Company Secretary  
M.No: F4589

# MOSER BAER INDIA LIMITED

## Cash flow statement for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

|  | Year ended<br>March 31, 2017 | Period ended<br>March 31, 2016 |
|--|------------------------------|--------------------------------|
| <b>Cash flow from operating activities:</b>  |                              |                                |
| Net loss before income tax   | <b>(11,139,560,016)</b>      | <b>(7,036,473,934)</b>         |
| <b>Adjustments to reconcile net loss to net cash provided by operating activities:</b> |                              |                                |
| Depreciation and amortisation  | 621,395,160                  | 1,060,566,424                  |
| Depreciation and amortisation - Prior Period   | 52,106,706                   |                                |
| Impairment of assets   | 610,000,000                  | -                              |
| (Profit)/loss on sale/deletion of fixed assets (net)                                   | (4,843,240)                  | 658,696                        |
| Unrealised foreign exchange (gain)/loss  | (100,863,366)                | 295,232,699                    |
| Finance cost   | 2,125,800,094                | 2,743,816,119                  |
| Interest cost on reversal of recoverable on exit from CDR                              | 159,516,378                  | -                              |
| Interest income  | (132,220,886)                | (120,510,521)                  |
| Old liabilities and provisions no longer required written back                         | (23,631,750)                 | (28,887,600)                   |
| Provision for warranty   | 1,899,016                    | 3,723,894                      |
| Debts/advances written off   | -                            | 2,889,717                      |
| Provision for diminution in long term investments                                      | 3,404,970,770                | 1,493,333,001                  |
| Provision for doubtful debts/ advances   | 3,350,851,824                | 462,401,338                    |
| Provision for slow moving stock  | 678,450,289                  | 319,770,656                    |
| <b>Operating loss before working capital changes</b>                                   | <b>(396,129,021)</b>         | <b>(803,479,511)</b>           |
| <b>Changes in working capital</b>  |                              |                                |
| Decrease in inventories  | 297,021,080                  | 694,811,503                    |
| Increase in trade receivables  | (447,660,133)                | (394,107,431)                  |
| Decrease in loans and advances and other assets  | 369,217,175                  | 260,287,568                    |
| Increase in trade payables   | 414,277,933                  | 771,920,069                    |
| <b>Cash generated from operating activities</b>  | <b>236,727,034</b>           | <b>529,432,199</b>             |
| Income tax refund /(paid) (net of tax deducted at source)                              | 14,531,045                   | (41,276,454)                   |
| <b>Net cash generated from operating activities</b>                                    | <b>A</b>                     | <b>251,258,079</b>             |
| <b>Cash flow from investing activities:</b>  |                              |                                |
| Purchase of fixed assets/additions to capital work in progress                         | (5,234,736)                  | (33,045,826)                   |
| Proceeds from sale of fixed assets   | 20,333                       | 5,092,998                      |
| Proceeds (as advance) for assets held for sale   | 49,942,000                   | -                              |
| Investment in fixed deposit  | (154,486,968)                | (268,225,039)                  |
| Net proceeds from fixed deposits   | 187,853,234                  | 354,361,866                    |
| Interest received  | 25,376,569                   | 31,608,046                     |
| <b>Net cash generated from investing activities</b>                                    | <b>B</b>                     | <b>103,470,432</b>             |

## MOSER BAER INDIA LIMITED

### Cash flow statement for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

|  | Year ended<br>March 31, 2017 | Period ended<br>March 31, 2016 |
|--|------------------------------|--------------------------------|
| <b>Cash flow from financing activities:</b>            |                              |                                |
| Repayment of long term borrowings                      | (87,057,418)                 | (114,943,791)                  |
| Proceeds from long term borrowings                     | 18,000,000                   | 64,500,000                     |
| Net repayment of short term borrowings                 | (157,076,656)                | (325,516,709)                  |
| Finance costs paid                                     | (116,155,534)                | (244,592,197)                  |
| Proceeds from issue of share capital                   | -                            | 7,500,000                      |
| <b>Net cash used in financing activities</b>           | <b>C</b>                     | <b>(613,052,697)</b>           |
| Net increase / (decrease) in cash and cash equivalents | <b>A + B + C</b>             | (35,104,907)                   |
| Cash and cash equivalents at beginning of the year     |                              | 83,091,633                     |
| <b>Cash and cash equivalents at end of the year</b>    |                              | <b>47,986,726</b>              |
| <b>Component of cash and cash equivalents</b>          |                              |                                |
| Cash in hand   | 972,588                      | 1,480,553                      |
| Funds in transit                                       | 20,590,367                   | -                              |
| Cheques in hand  | 27,963                       | 2,432                          |
| Bank balances in current accounts                      | 31,393,555                   | 46,503,741                     |
| Deposits with less than 3 months maturity              | 7,441,156                    | -                              |
| <b>Total cash and cash equivalents (refer note 19)</b> | <b>60,425,629</b>            | <b>47,986,726</b>              |

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

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

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

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

per **Neeraj Goel**  
Partner

**Deepak Puri**  
Chairman and Managing Director  
DIN : 00002189

**Nita Puri**  
Director  
DIN : 00002331

Place: New Delhi  
Date: May 23, 2017

**Yogesh Mathur**  
Chief Financial Officer  
PAN: ACSPM5893M

**Neeraj Parmar**  
AVP Legal and Company Secretary  
M.No: F4589

# MOSER BAER INDIA LIMITED

## Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

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### 1 Basis of accounting

The financial statements are prepared under historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in Schedule III to the Companies Act, 2013.

### 2 Use of estimates

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

### 3 Significant accounting policies

#### (a) Revenue recognition

##### (i) Revenue from sale of goods

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

##### (ii) Revenue from sale of services

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

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

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

##### (iii) Other income

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

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

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

#### (b) Fixed assets

##### (i) Tangible assets

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

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

## MOSER BAER INDIA LIMITED

### Summary of significant accounting policies and other explanatory information to the financial statements for fifteen months period ended March 31, 2016

(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 based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

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.

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

##### *(ii) Intangible assets*

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

#### **(d) 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) Inventories**

##### *(i) Inventories are valued as under:*

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

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

- Cost of raw materials, goods held for resale, packing materials and stores and spares is determined on the basis of weighted average method.
- Cost of work in progress and finished goods is determined by considering direct material cost, labour costs and appropriate portion of overheads and non-recoverable duties.

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

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

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

#### **(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 (generally 12 months or more) to be ready for the intended use, are capitalised. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

Other borrowing costs are recognised as an expense in the statement of profit and loss in the year in which they are incurred.

#### **(h) Employee benefits**

##### *(i) Provident fund and Employees' state insurance*

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

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

## MOSER BAER INDIA LIMITED

### Summary of significant accounting policies and other explanatory information to the financial statements for the fifteen months period ended March 31, 2016

(All amounts in rupees unless otherwise stated)

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#### (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 gain or loss arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gain or loss 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 gain or loss arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gain or loss 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.

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

### (j) Taxation

Tax expense comprises current tax and deferred tax.

#### (i) Current tax

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

## MOSER BAER INDIA LIMITED

### Summary of significant accounting policies and other explanatory information to the financial statements for fifteen months period ended March 31, 2016

(All amounts in rupees unless otherwise stated)

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#### (ii) *Deferred tax*

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In respect of carry forward losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such losses can be set off.

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 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.

#### **(l) 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.

#### **(m) 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.

#### **(n) 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 informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

### 4. Share Capital

| Particulars                                | As at March 31, 2017 |                      | As at March 31, 2016 |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Number               | Amount               | Number               | Amount               |
| <b>Authorised</b>                          |                      |                      |                      |                      |
| Equity shares of Rs. 10 each               | 1,250,000,000        | 12,500,000,000       | 1,250,000,000        | 12,500,000,000       |
| <b>Issued</b>                              |                      |                      |                      |                      |
| Equity shares of Rs. 10 each               | 221,765,983          | 2,217,659,830        | 221,765,983          | 2,217,659,830        |
| <b>Subscribed and fully paid up</b>        |                      |                      |                      |                      |
| Equity shares of Rs. 10 each fully paid up | 221,765,983          | 2,217,659,830        | 221,765,983          | 2,217,659,830        |
| <b>Total</b>                               | <b>221,765,983</b>   | <b>2,217,659,830</b> | <b>221,765,983</b>   | <b>2,217,659,830</b> |

#### (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) The Company has not issued any bonus shares during the current year and five years immediately preceding current year.

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

| Particulars  | As at March 31, 2017 |               | As at March 31, 2016 |               |
|--|----------------------|---------------|----------------------|---------------|
|  | Number               | Amount        | Number               | Amount        |
| Shares outstanding at the beginning of the year/period | 221,765,983          | 2,217,659,830 | 208,306,104          | 2,083,061,040 |
| Add: Shares issued during the year/period              | -                    | -             | 13,459,879           | 134,598,790   |
| Shares outstanding at the end of the year/period       | 221,765,983          | 2,217,659,830 | 221,765,983          | 2,217,659,830 |

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

| Name of shareholder                     | As at March 31, 2017 |              | As at March 31, 2016 |              |
|---|----------------------|--------------|----------------------|--------------|
|   | No. of shares held   | % of holding | No. of shares held   | % of holding |
| Deepak Puri and HUF                     | 67,420,141           | 30.40        | 67,420,141           | 30.40        |
| Micro Green Electronics Private Limited | 13,450,000           | 6.06         | 13,450,000           | 6.06         |
| Electra Partners Maritius Limited       | 9,960,345            | 4.49         | 9,960,345            | 4.49         |

### 5. Reserves and Surplus

| Particulars   | As at March 31, 2017    | As at March 31, 2016    |
|---|-------------------------|-------------------------|
| <b>(a) Capital reserve</b>  |                         |                         |
| Opening balance   | 181,440,000             | 181,440,000             |
| Closing balance   | <b>181,440,000</b>      | <b>181,440,000</b>      |
| <b>(b) Securities premium account</b>                             |                         |                         |
| Opening balance   | 3,952,968,800           | 5,053,472,323           |
| Add: Addition during the year / period on issue of equity shares  | -                       | 3,928,187               |
| Less: Premium on redemption of foreign currency convertible bonds | (662,950,425)           | (1,104,431,710)         |
| Closing balance   | <b>3,290,018,375</b>    | <b>3,952,968,800</b>    |
| <b>(c) Deficit as per statement of profit and loss</b>            |                         |                         |
| Opening balance   | (23,605,019,015)        | (16,457,149,952)        |
| Add: Depreciation adjustment against reserves                     | -                       | (111,395,129)           |
| Add: Net loss for the year/period                                 | (11,139,560,016)        | (7,036,473,934)         |
| Closing balance   | <b>(34,744,579,031)</b> | <b>(23,605,019,015)</b> |
| <b>Total</b>  | <b>(31,273,120,656)</b> | <b>(19,470,610,215)</b> |



## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

### 6. Long term borrowings

| Particulars                                   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| <b>Secured (refer note (i)(a) and (i)(b))</b> |                         |                         |
| <b>Term loans</b>                             |                         |                         |
| (a) Rupee loan from banks                     |                         |                         |
| Term loans                                    | -                       | 5,647,014,000           |
| Working capital term loans                    | -                       | 173,228,000             |
| (b) Rupee loan from others                    |                         |                         |
| Term loans                                    | -                       | 212,088,217             |
| Working capital term loans                    | -                       | 30,866,000              |
|   | -                       | <b>6,063,196,217</b>    |
| <b>Unsecured (refer note (ii))</b>            |                         |                         |
| Others  | 82,500,000              | 64,500,000              |
| <b>Total</b>                                  | <b>82,500,000</b>       | <b>6,127,696,217</b>    |

#### Note:

##### (i) Secured loans

##### (a) Nature of security and terms of repayment for secured borrowings as at March 31, 2017 and March 31, 2016:

| Particulars                                   | As at March<br>31, 2017 | As at March<br>31, 2016 | Security  | Terms of Repayment   |
|---|-------------------------|-------------------------|---|--|
| Term loans under corporate debt restructuring | 8,919,444,339           | 8,972,342,615           | (i) First pari passu charge on fixed assets<br><br>(ii) Second pari passu charge on current assets 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  |
| Working capital term loans                    | 982,001,990             | 1,200,365,488           | (iii) Pledge of 100% shareholding of the promoters of the Company<br>(iv) Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri  | Repayable in 16 quarterly installments after moratorium of 2 years from cut off date i.e. November 30, 2011, commencing from February 2014 |
| Funded interest term loans                    | 489,822,165             | 558,955,305             | (v) Negative lien on land of Moser Baer Infrastructure and Developer Limited at Chennai on pari passu basis<br><br>(vi) Corporate guarantee of Moser Baer Infrastructure and Developers Limited. (subsidiary of the Company that owns the rights to the Chennai land)<br><br>(vii) Pledge of shares of Moser Baer Infrastructure and Developers Limited | Repayable in 7 quarterly installments commencing from September 30, 2013   |
| <b>Total</b>                                  | <b>10,391,268,494</b>   | <b>10,731,663,408</b>   |   |  |
| Less : Current maturity of long term loans    | 10,391,268,494          | 4,668,467,191           |   |  |
| <b>Net long term borrowings</b>               | <b>-</b>                | <b>6,063,196,217</b>    |   |  |

##### (b) Interest rates

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

##### (c) Loan default

Refer note 45 for details of default in repayment of loans and interest of the Company.

##### (ii) Unsecured loans:

As per Master Restructuring Agreement, Company has received Rs. 217,000,000 till March 31, 2017, out of which equity shares are issued of Rs. 134,500,000 and balance amount shown as interest free unsecured loan.

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

### 7 Other long-term liabilities

| Particulars                | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|----------------------------|-------------------------|-------------------------|
| Security deposits from     |                         |                         |
| -Subsidiaries              | 1,685,000,000           | 1,715,000,000           |
| -Others                    | 200,000                 | 200,000                 |
| Lease equalisation reserve | 9,072,488               | 9,110,527               |
| <b>Total</b>               | <b>1,694,272,488</b>    | <b>1,724,310,527</b>    |

### 8 Long term provisions

| Particulars   | As at<br>March 31, 2016 | As at<br>December 31, 2014 |
|---|-------------------------|----------------------------|
| <b>Provision for employee benefits</b>                        |                         |                            |
| Gratuity (refer note 42)                                      | 244,982,224             | 201,463,826                |
| Unavailed leave (refer note (a) below)                        | 68,720,333              | 70,936,355                 |
| Key resource bonus and deferred salary (refer note (b) below) | -                       | 559,722                    |
| <b>Total</b>  | <b>313,702,557</b>      | <b>272,959,903</b>         |

#### Note :

(a) The following is the movement in provisions above from the beginning to the close of the reporting year/period:

| Particulars   | Key resource bonus and deferred salary |                         |
|---|--|-------------------------|
|   | As at<br>March 31, 2017                | As at<br>March 31, 2016 |
| Balance as at the beginning of the year/period      | 559,722                                | 157,199                 |
| Add: Provision made during the year/period          | 399,996                                | 402,523                 |
| Less: Paid during the year/period                   | -                                      | -                       |
| Balance as at the end of the year/period            | <b>959,718</b>                         | <b>559,722</b>          |
| Less: Amount classified under short term provisions | 959,718                                | -                       |
| <b>Balance as at the end of the year/period</b>     | <b>-</b>                               | <b>559,722</b>          |

### 9 Short term borrowings

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| <b>Short term loans (secured)</b>   |                         |                         |
| (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) | 7,185,387,473           | 7,327,092,481           |
| (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) | 401,053,609             | 422,245,884             |
| <b>Total</b>  | <b>7,586,441,082</b>    | <b>7,749,338,365</b>    |

## MOSER BAER INDIA LIMITED

### Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

#### Note:

- (a) Interest rate on short term borrowings varies from 10.75% to 17.25% p.a. (previous year 10.75% to 17.25% p.a.).
- (b) Short term loans outstanding as at March 31,2017 are further secured by as per below :
- Pledge of 100% shareholding of the promoters of the Company.
  - Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri.
  - Negative lien on land of Moser Baer Infrastructure and Developers Limited at Chennai on pari passu basis.
  - Corporate guarantee of Moser Baer Infrastructure and Developers Limited.
  - Pledge of shares of Moser Baer Infrastructure and Developers Limited.

#### 10 Trade payables

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| Outstanding dues of creditors other than micro enterprises and small enterprises |                         |                         |
| Acceptances  | 447,465                 | 124,997,324             |
| Other trade payables   | 3,859,944,565           | 3,441,659,878           |
| <b>Total</b>   | <b>3,860,392,030</b>    | <b>3,566,657,202</b>    |

#### 11. Other current liabilities

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| Deferred government grant (refer note 49)  | 35,000,000              | 35,000,000              |
| Current maturities of long term loans  | 10,391,268,494          | 4,668,467,191           |
| Current maturities of foreign currency convertible bonds (refer note 43(b))                          | 5,732,740,000           | 5,857,384,000           |
| Current maturities of premium on redemption on foreign currency convertible bonds (refer note 43(a)) | 2,129,250,712           | 2,175,545,909           |
| Interest accrued and due on borrowings   | 5,309,090,946           | 3,323,317,829           |
| Advance from customers   | 39,323,182              | 40,746,579              |
| Unpaid dividends   | 781,121                 | 1,626,938               |
| Others   |                         |                         |
| -Creditors for capital goods   | 70,758,870              | 71,700,232              |
| -Employee benefits payable   | 202,709,683             | 159,578,446             |
| -Statutory dues  | 43,645,147              | 45,216,919              |
| -Security deposits received  | 2,423,951               | 2,533,951               |
| -Retention money   | 47,110,661              | 47,110,661              |
| -Book overdraft  | -                       | 4,741,279               |
| -Other accrued liabilities   | 73,370,950              | 33,176,469              |
| <b>Total</b>   | <b>24,077,473,717</b>   | <b>16,466,146,403</b>   |

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

### 12. Short term provisions

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| <b>(a) Provision for employee benefits</b>  |                         |                         |
| Unavailed leaves (refer note 8)   | 8,502,069               | 9,391,103               |
| Key resource bonus and deferred salary (refer note 8)                             | 959,718                 | -                       |
| <b>(b) Others</b>   |                         |                         |
| Provision for warranty (refer note below)   | 13,186,869              | 11,287,853              |
| Provision for other probable obligations (refer note below)                       | 534,179,683             | 500,093,309             |
| Provision for redemption of foreign currency convertible bonds (refer note 43(a)) | 3,517,550,076           | 2,808,304,454           |
| <b>Total</b>  | <b>4,074,378,415</b>    | <b>3,329,076,719</b>    |

#### Note :

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

| Particulars                                     | Warranty*               |                         | Probable obligations**  |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | As at<br>March 31, 2017 | As at<br>March 31, 2016 | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| Balance as at the beginning of the year/period  | 11,287,853              | 7,563,959               | 500,093,309             | 474,662,439             |
| Add: Provision made during the year/period      | 1,899,016               | 3,723,894               | 34,086,374              | 44,288,006              |
| Less: written back during the year/period       | -                       | -                       | -                       | (18,857,136)            |
| <b>Balance as at the end of the year/period</b> | <b>13,186,869</b>       | <b>11,287,853</b>       | <b>534,179,683</b>      | <b>500,093,309</b>      |

\* Warranty provision relate 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.

\*\* As per notification no. 22/2006 of Central Excise, the Company has to pay additional custom duty on its local sales, if the goods sold are exempted from payment of sales tax or value added tax. One of the units of the Company is exempt from payment of local sales tax and hence the department has disputed the same and demanded the duty on the sale of such goods. The Company has contested this matter and dispute is currently pending at CESTAT and Commissioner of Custom and Central Excise forum and final demand order has not been raised till now. Pending the final outcome of the dispute with authorities, the Company has recorded the provision for the amount demanded by the authorities on prudence basis and is accruing the interest on it on quarterly basis. Due to very nature of such costs, it is not possible to estimate the timing / uncertainties relating to their outflows as well as expenses from such estimates, hence considered as short term in nature.

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017  
(All amounts in rupees unless otherwise stated)

### 13 Fixed assets

|                                      | Gross blocks                |                  |                | Accumulated depreciation and amortisation  |                              |                             |                                     |                                | Net block                                  |                           |                              |                              |                      |
|--------------------------------------|-----------------------------|------------------|----------------|--|------------------------------|-----------------------------|-------------------------------------|--------------------------------|--|---------------------------|------------------------------|------------------------------|----------------------|
|                                      | Balance as at April 1, 2016 | Additions        | Deletions      | Adjustments / Transfer (refer notes below) | Balance as at March 31, 2017 | Balance as at April 1, 2016 | Charge for the year (refer note 4f) | Impairment (refer notes below) | Adjustments / transfer (refer notes below) | Adjustment upon deletions | Balance as at March 31, 2017 | Balance as at March 31, 2016 |                      |
| <b>A. Tangible assets</b>            |                             |                  |                |  |                              |                             |                                     |                                |  |                           |                              |                              |                      |
| Leasehold land                       | 273,666,570                 | -                | -              | -  | 273,666,570                  | 41,105,642                  | 2,967,859                           | -                              | -  | -                         | 44,073,501                   | 229,593,069                  | 232,560,929          |
| Buildings                            | 3,294,686,403               | -                | -              | -  | 3,294,686,403                | 1,412,093,940               | 93,186,169                          | -                              | -  | -                         | 1,505,280,109                | 1,789,406,294                | 1,882,592,463        |
| Plant and equipments (refer note 50) | 40,457,609,433              | 3,427,908        | -              | 71,054,599                                 | 40,532,091,940               | 37,292,883,632              | 484,457,754                         | 604,333,033                    | 52,106,706                                 | -                         | 38,433,781,125               | 2,098,310,815                | 3,164,725,801        |
| Furniture and fixtures               | 169,433,271                 | -                | -              | -  | 169,433,271                  | 140,062,588                 | 8,535,588                           | 5,098,586                      | -  | -                         | 153,696,762                  | 15,736,509                   | 29,370,683           |
| Vehicles                             | 19,198,180                  | -                | 349,271        | -  | 18,848,909                   | 18,287,470                  | 43,041                              | 1,216                          | -  | 331,807                   | 17,999,920                   | 848,989                      | 910,711              |
| Office equipments                    | 96,389,874                  | -                | -              | -  | 96,389,874                   | 91,751,955                  | 128,857                             | 20,658                         | -  | -                         | 91,901,470                   | 4,488,404                    | 4,637,920            |
| Computer equipments                  | 211,909,152                 | -                | -              | -  | 211,909,152                  | 205,349,364                 | 789,104                             | 546,507                        | -  | -                         | 206,684,975                  | 5,224,177                    | 6,559,788            |
| <b>Total</b>                         | <b>44,522,892,883</b>       | <b>3,427,908</b> | <b>349,271</b> | <b>71,054,599</b>                          | <b>44,597,026,119</b>        | <b>39,201,534,591</b>       | <b>590,108,372</b>                  | <b>610,000,000</b>             | <b>52,106,706</b>                          | <b>331,807</b>            | <b>40,453,417,862</b>        | <b>4,143,608,257</b>         | <b>5,321,358,295</b> |
| Previous period                      | 44,981,750,179              | 40,920,613       | 152,947,836    | 346,830,072                                | 44,522,892,888               | 38,551,742,669              | 1,120,872,655                       | -                              | 330,744,236                                | 140,336,505               | 39,201,534,583               | 5,321,358,295                | -                    |
| <b>B. Intangible assets</b>          |                             |                  |                |  |                              |                             |                                     |                                |  |                           |                              |                              |                      |
| Computer software                    | 76,788,649                  | -                | -              | -  | 76,788,649                   | 75,920,060                  | 564,654                             | -                              | -  | -                         | 76,484,714                   | 303,935                      | 868,589              |
| Technical know how                   | 438,380,208                 | -                | -              | -  | 438,380,208                  | 381,363,244                 | 30,722,134                          | -                              | -  | -                         | 412,085,378                  | 26,294,830                   | 57,016,964           |
| <b>Total</b>                         | <b>515,168,857</b>          | <b>-</b>         | <b>-</b>       | <b>-</b>                                   | <b>515,168,857</b>           | <b>457,283,304</b>          | <b>31,286,788</b>                   | <b>-</b>                       | <b>-</b>                                   | <b>-</b>                  | <b>488,570,092</b>           | <b>26,598,765</b>            | <b>57,885,553</b>    |
| Previous period                      | 515,168,857                 | -                | -              | -  | 515,168,857                  | 406,194,406                 | 51,088,898                          | -                              | -  | -                         | 457,283,304                  | 57,885,553                   | -                    |
| <b>C. Capital Work In Progress</b>   | <b>47,250</b>               | <b>618,100</b>   | <b>-</b>       | <b>-</b>                                   | <b>665,350</b>               | <b>-</b>                    | <b>-</b>                            | <b>-</b>                       | <b>-</b>                                   | <b>-</b>                  | <b>-</b>                     | <b>665,350</b>               | <b>47,250</b>        |
| Previous period                      | 170,903,84                  | -                | -              | 17,043,134                                 | 47,250                       | -                           | -                                   | -                              | -  | -                         | -                            | 47,250                       | -                    |

#### Note:

- During the year ended March 31, 2017, the Company has transferred insurance spares amounting to Rs. 71,054,599 to fixed assets from inventory in compliance with revised accounting Standard 10. Accumulated depreciation on such assets is Rs. 52,106,706 which has been shown as prior period expense.
- As of 31 March 2017, management performed detailed assessment of impairment (using an independent valuation expert) of carrying value of fixed assets based on business valuation. Such assessment is based on recoverable value of assets determined using value in use method and is therefore dependent upon future outcome of certain matters such as negotiation with lenders banks for debt restructuring and revival of business operations. As per such assessment, management believes that no further impairment is required in the carrying value of fixed assets in addition to the impairment of Rs. 610,000,000 which was recorded in quarter ended 30 September 2016 and shown as exceptional items (refer note 31).
- During the period ended March 31, 2016, The Company decided to sell some fixed asset. On the basis of approval by Board of Directors and upon completion of successful bidding process, the asset has been classified as "Non-current asset held for sale" in Balance sheet. The Company has ceased accruing depreciation on those assets from the date of classification as held for sale. Had the Company not decided to sell these assets, depreciation for period ended March 31, 2016 would have been higher by Rs. 331,081.

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

### 14 Non-current investments

| Particulars   | As at<br>March 31, 2017                   | As at<br>March 31, 2016                   |
|---|---|---|
| <b>Trade Investments</b>  |   |   |
| <b>(1) Investment in Equity shares</b>  |   |   |
| <b>(a) Subsidiaries</b>   |   |   |
| <b>European Optic Media Technology GMBH</b>   |   |   |
| Share Capital of € 2,025,000 (previous year € 2,025,000)<br>Includes reserve capital of Rs. 111,689,796 (previous year<br>Rs. 111,689,796)  | 222,953,546                               | 222,953,546                               |
| Less: Provision for diminution  | (222,953,546)                             | (168,852,376)                             |
|   |   | 54,101,170                                |
| <b>Peraround Limited</b>  |   |   |
| 1,524,761 (previous year 1,524,761) shares of € 1.71 each.<br>Less: Provision for diminution  | 154,618,741<br>(154,618,741)              | 154,618,741<br>(154,618,741)              |
|   |   | -   |
| <b>Photovoltaic Holdings Ltd</b>  |   |   |
| 7,086,860 (previous year 7,086,860) equity shares of GBP<br>1 each<br>Less: Provision for diminution  | 498,080,000<br>(498,080,000)              | 498,080,000                               |
|   |   | 498,080,000                               |
| <b>Moser Baer Distribution Ltd (formerly known as<br/>Moser Baer SEZ Developer Ltd)</b>   |   |   |
| 3,000,000 (previous year 3,000,000) equity shares of Rs 10<br>each  | 30,000,000                                | 30,000,000                                |
| <b>Moser Baer Entertainment Ltd</b>   |   |   |
| 270,000 (previous year 270,000) equity shares of Rs 10 each<br>6,000,000 (previous year 6,000,000) equity shares of Rs 10<br>each issued at premium of Rs. 90 each.<br>Less: Provision for diminution | 2,700,000<br>600,000,000<br>(435,834,666) | 2,700,000<br>600,000,000<br>(188,191,666) |
|   | 166,865,334                               | 414,508,334                               |
| <b>Moser Baer Investments Ltd</b>   |   |   |
| 1,400,000 (previous year 1,400,000) equity shares of Rs 10<br>each.<br>Less: Provision for diminution   | 14,000,000<br>(14,000,000)                | 14,000,000                                |
|   |   | 14,000,000                                |
| <b>(b) Associates</b>   |   |   |
| <b>Global Data Media FZ-LLC</b>   |   |   |
| 7,194 (previous year 7,194) shares of AED 1,000 each<br>Less: Provision for diminution  | 92,532,185<br>(92,532,185)                | 92,532,185<br>(92,532,185)                |
|   |   | -   |
| <b>Moser Baer Infrastructure Limited</b>  |   |   |
| 3,430,000 (previous year 3,430,000) equity shares of Rs. 10<br>each<br>Less: Provision for diminution   | 34,300,000<br>(34,300,000)                | 34,300,000<br>(34,300,000)                |
|   |   | -   |
| <b>(c) Others</b>   |   |   |
| <b>Lumen Engineering Private Limited</b>  |   |   |
| 102,000 (previous year 102,000) equity shares of Rs. 10<br>each   | 1,020,000                                 | 1,020,000                                 |
| <b>Hindusthan Power Projects Private Limited</b>  |   |   |
| 510,000 (previous year 510,000) equity shares of Rs 10<br>each  | 5,100,000                                 | 5,100,000                                 |
| <b>Capco Luxembourg S.A.R.L.</b>  |   |   |
| 1 (previous year 1) equity share of Euro 125 each   | 4,961                                     | 4,961                                     |
|   | <b>202,990,295</b>                        | <b>1,016,814,465</b>                      |

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

| Particular   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <b>(2) Investments in Preference shares</b>  |                         |                         |
| <b>(a) Subsidiaries</b>  |                         |                         |
| <b>Peraround Limited</b>   |                         |                         |
| 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   | (299,156,000)           | -                       |
| <b>Heilos Photo Voltaic Limited</b>  |                         |                         |
| 86,500,000 (previous year 86,500,000) 9% cumulative, convertible, redeemable series A preference shares of Rs. 10 each                   | 865,000,000             | 865,000,000             |
| 26,021,466 (previous year 26,021,466) 9% cumulative, redeemable series B1 preference shares of Rs. 10 each                               | 260,214,660             | 260,214,660             |
| 33,887,760 (previous year 33,887,760) 9% cumulative, redeemable series B2 preference shares of Rs. 10 each                               | 338,877,600             | 338,877,600             |
| Less: Provision for diminution   | (1,464,092,260)         | -                       |
| <b>Moser Baer Solar Limited</b>  |                         |                         |
| 146,000,000 (previous year 146,000,000) class C redeemable preference shares of Rs.10 each.  | 1,460,000,000           |                         |
| Less: Provision for diminution   | (1,460,000,000)         | 1,460,000,000           |
| <b>Moser Baer Distribution Ltd (formerly known as Moser Baer SEZ Developer Ltd)</b>  |                         |                         |
| 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             |
| <b>Moser Baer Entertainment Limited</b>  |                         |                         |
| 50,000,000 (previous year 50,000,000) 10% cumulative, redeemable preference shares of Rs 10 each.  | 500,000,000             | 500,000,000             |
| 10,000,000 (previous year 10,000,000) 15% cumulative, redeemable series B preference shares of Rs. 10 each                               | 100,000,000             | 100,000,000             |
| Less: Provision for diminution   | (600,000,000)           | -                       |
| <b>Moser Baer Investments Limited</b>  |                         |                         |
| 63,114,660 (previous year 63,114,660) compulsorily convertible preference shares of Rs. 10 each  | 631,146,600             | 631,146,600             |
| Less: Provision for diminution   | (631,146,600)           | -                       |
| <b>(b) Others</b>  |                         |                         |
| <b>Capco Luxembourg S.A.R.L.</b>   |                         |                         |
| 63,366 (previous year 63,366) preferred equity certificates of Euro 125 each   | 320,668,823             | 320,668,823             |
| Less: Provision for diminution   | (320,668,823)           | -                       |
|  | <b>750,000,000</b>      | <b>2,841,146,600</b>    |
| <b>(3) Investments in Debentures</b>   |                         |                         |
| <b>Moser Baer Solar Limited</b>  |                         |                         |
| 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             |
| Less: Provision for diminution   | (500,000,000)           | 500,000,000             |
|  | -                       | <b>500,000,000</b>      |
| <b>Total</b>   | <b>952,990,295</b>      | <b>4,357,961,065</b>    |

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

| Particulars                                  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| Aggregate amount of unquoted investments     | 7,680,373,116           | 7,680,373,116           |
| Aggregate amount of provision for diminution | 6,727,382,821           | 3,322,412,051           |

### 15 Long term loans and advances

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <i>Unsecured, considered good unless otherwise stated</i>                      |                         |                         |
| Advances for capital goods   | 26,260,937              | 26,013,571              |
| Security deposits  | 22,451,682              | 21,996,721              |
| Prepaid expenses   | 781,498                 | 988,763                 |
| Prepaid taxes (net of provision for tax Rs. Nil (previous year Rs.14,957,797)) | 71,525,432              | 131,815,226             |
| Balances with government authorities   | 178,471,929             | 94,226,422              |
|  | <b>299,491,478</b>      | <b>275,040,703</b>      |

### 16 Other non-current assets

| Particulars                         | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-------------------------------------|-------------------------|-------------------------|
| <b>(a) Lease rent receivable</b>    |                         |                         |
| - Secured, considered good          | 1,589,658,513           | 1,715,000,000           |
| - Unsecured, considered good        | -                       | 160,212,303             |
|                                     | <b>1,589,658,513</b>    | <b>1,875,212,303</b>    |
| <b>(b) Others</b>                   |                         |                         |
| Unsecured, considered good          |                         |                         |
| -Margin money                       | 6,162,460               | 4,532,381               |
| Unsecured, considered doubtful      |                         |                         |
| -Long term trade receivable         | 805,000,000             | 966,000,000             |
| -Less: provision for doubtful debts | (805,000,000)           | -                       |
|                                     | <b>6,162,460</b>        | <b>970,532,381</b>      |
| <b>Total</b>                        | <b>1,595,820,973</b>    | <b>2,845,744,684</b>    |



## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

### 17 Inventories

| Particulars                      | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|----------------------------------|-------------------------|-------------------------|
| (a) Raw materials and components | 141,945,958             | 244,419,785             |
| Goods-in transit                 | 5,504,292               | 20,018,150              |
|                                  | <b>147,450,250</b>      | <b>264,437,935</b>      |
| (b) Work-in-progress             | 214,922,479             | 797,600,408             |
|                                  | <b>214,922,479</b>      | <b>797,600,408</b>      |
| (c) Finished goods               | 339,787,648             | 358,987,755             |
|                                  | <b>339,787,648</b>      | <b>358,987,755</b>      |
| (d) Stock-in-trade               | 15,887,023              | 15,347,019              |
|                                  | <b>15,887,023</b>       | <b>15,347,019</b>       |
| (e) Stores and spares            | 197,146,404             | 504,558,248             |
| Goods-in transit                 | 336,339                 | 102,326                 |
|                                  | <b>197,482,743</b>      | <b>504,660,574</b>      |
| (f) Loose tools                  | 2,937,255               | 3,127,846               |
|                                  | <b>2,937,255</b>        | <b>3,127,846</b>        |
| (g) Packing material             | 29,471,856              | 50,303,684              |
|                                  | <b>29,471,856</b>       | <b>50,303,684</b>       |
| <b>Total</b>                     | <b>947,939,254</b>      | <b>1,994,465,221</b>    |

### 18 Trade receivables

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| <b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b> |                         |                         |
| -Unsecured, considered good   | 2,577,505,099           | 3,057,181,791           |
| -Unsecured, considered doubtful   | 2,362,607,759           | 931,981,269             |
| -Less: Provision for doubtful debts*  | (2,362,607,759)         | (931,981,269)           |
|   | <b>2,577,505,099</b>    | <b>3,057,181,791</b>    |
| <b>Others</b>   |                         |                         |
| -Unsecured, considered good   | 1,374,853,534           | 2,175,941,102           |
| -Unsecured, considered doubtful   | 552,457,529             | -                       |
| -Less: Provision for doubtful debts*  | (552,457,529)           | -                       |
|   | <b>1,374,853,534</b>    | <b>2,175,941,102</b>    |
| <b>Total</b>  | <b>3,952,358,633</b>    | <b>5,233,122,893</b>    |

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

| Particulars  | Provision for debtors   |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| Balance as at the beginning of the year/period     | 931,981,269             | 520,039,616             |
| Add: Provision made during the year/period         | 1,983,084,019           | 411,941,653             |
| Less: Utilised/written back during the year/period | -                       | -                       |
| <b>Balance as at the end of the year/period</b>    | <b>2,915,065,288</b>    | <b>931,981,269</b>      |

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

### 19 Cash and bank balances

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| <b>Cash and cash equivalents</b>  |                         |                         |
| Cash in hand (refer note below)   | 972,588                 | 1,480,553               |
| Funds in transit  | 20,590,367              | -                       |
| Cheques in hand   | 27,963                  | 2,432                   |
| Bank balances in  |                         |                         |
| -Current accounts   | 31,393,555              | 46,503,741              |
| -Deposits with less than 3 months maturity                              | 7,441,156               | -                       |
|   | <b>60,425,629</b>       | <b>47,986,726</b>       |
| <b>Other bank balances (Refer Note 49)</b>                              |                         |                         |
| Fixed deposits with maturity more than 3 months but less than 12 months | 25,398,414              | 34,435,470              |
| Margin money with maturity less than 12 months                          | 120,067,717             | 145,181,189             |
| Unpaid dividend accounts  | 781,121                 | 1,626,938               |
|   | <b>146,247,252</b>      | <b>181,243,597</b>      |
| <b>Total</b>  | <b>206,672,881</b>      | <b>229,230,323</b>      |

#### Note:

In accordance with MCA notification G.S.R. 308 (E) dated March 30, 2017, details of Specified Bank Notes and Other Denomination Notes held and transaction during the period from November 8, 2016 to December 30, 2016 is given below:

| Particulars   | Specified Bank<br>Notes | Other<br>Denomination<br>Notes | Total         |
|---|-------------------------|--------------------------------|---------------|
|   | Amount                  | Amount                         | Amount        |
| Closing cash in hand as on November 8, 2016         | 155,000                 | 482,768                        | 637,768       |
| Add: Withdrawal from Bank accounts                  | -                       | 520,000                        | 520,000       |
| Add: Permitted receipts                             | -                       | 21,106                         | 21,106        |
| Less : Permitted payments                           | -                       | 959,747                        | 959,747       |
| Less : Amount deposited in banks                    | 155,000                 | -                              | 155,000       |
| <b>Closing cash in hand as on December 30, 2016</b> | <b>-</b>                | <b>64,127</b>                  | <b>64,127</b> |

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

### 20 Short term loans and advances

| Name of shareholder                              | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <b>(a) Loans and advances to related parties</b> |                         |                         |
| Unsecured, considered good                       | 20,854,679              | 281,252,549             |
| Unsecured, considered doubtful                   | 157,377,338             | 12,573,834              |
| Less: Provision for doubtful loans and advances  | (157,377,338)           | (12,573,834)            |
| <b>(b) Others</b>                                |                         |                         |
| Unsecured, considered good                       |                         |                         |
| - Advances to suppliers                          | 17,062,270              | 81,674,903              |
| - Prepaid expenses                               | 19,787,134              | 21,934,043              |
| - Security deposits                              | 393,971                 | 20,564,715              |
| - Balance with government authorities            | 176,960,727             | 168,456,506             |
| - Advances to employees                          | 2,704,828               | 2,233,967               |
| - Others   | 4,369,739               | 16,551,897              |
| Unsecured, considered doubtful                   |                         |                         |
| - Prepaid expenses                               | -                       | 3,635,629               |
| - Taxes recoverable                              | 449,294                 | 449,294                 |
| - Others   | 1,738,302               | 1,708,414               |
| - Less: Provision                                | (2,187,596)             | (5,793,337)             |
| <b>Total</b>                                     | <b>242,133,348</b>      | <b>592,668,580</b>      |

### 21 Other current assets

| Name of shareholder   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| Interest accrued on fixed deposits  | 6,616,322               | 14,415,694              |
| Interest accrued on investments   |                         |                         |
| Unsecured, considered doubtful  | 352,565,519             | 288,464,560             |
| Less: Provision for doubtful  | (352,565,519)           | -                       |
| Interest accrued and due on loan to subsidiaries                                    |                         |                         |
| Unsecured, considered doubtful  | 65,302,723              | 55,979,893              |
| Less: Provision for doubtful  | (65,302,723)            | -                       |
| Lease rent receivable   |                         |                         |
| -Secured, considered good   | 81,047,658              | 308,490,070             |
| Unsecured, considered good  | 191,827,454             | -                       |
| Recoverable from banks under corporate debt restructuring scheme (refer note below) | -                       | 412,853,875             |
| Non-current assets classified as held for sale (refer note 13)                      | 10,926,208              | 16,085,836              |
| <b>Total</b>  | <b>290,417,642</b>      | <b>1,096,289,928</b>    |

#### Note:

As per the Corporate Debt Restructuring scheme ("CDR") approved in the year ended March 31, 2013, Company recorded amounts receivable from banks on account of installment paid prior to implementation of corporate debt restructuring, excess interest paid by the Company and release of additional limits as per the scheme. As the Company has exited from CDR in current year, entire amount recoverable has been reversed (Rs. 253,337,497 from respective loans and Rs. 159,516,378 pertaining to interest expenses for previous year has been shown as exceptional items).

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

### 22 Revenue from operations

| Particulars   | For the year ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|---|--------------------------------------|--|
| <b>Sale of products (refer note (i) below):</b>                 |                                      |  |
| -Finished goods   | 5,278,457,376                        | 7,392,165,670                          |
| -Traded goods   | 14,332,541                           | 150,066,724                            |
|   | <b>5,292,789,917</b>                 | <b>7,542,232,394</b>                   |
| <b>Sale of services (refer note (ii) below)</b>                 | <b>439,396,533</b>                   | <b>481,141,742</b>                     |
| <b>Other operating revenues:</b>                                |                                      |  |
| -Scrap sales  | 32,433,490                           | 39,344,205                             |
| -Old liabilities and provisions no longer required written back | 23,631,750                           | 19,914,732                             |
| -Export benefits - focused product scheme                       | 45,741,874                           | 52,198,759                             |
| -Others   | 7,174,220                            | 1,543,263                              |
|   | <b>108,981,334</b>                   | <b>113,000,959</b>                     |
| <b>Total</b>  | <b>5,841,167,784</b>                 | <b>8,136,375,095</b>                   |

#### Notes:

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

| Particulars             |                  | For the year ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|-------------------------|------------------|--------------------------------------|--|
| <b>Finished goods</b>   |                  |                                      |  |
| -Optical media products |                  | 4,220,823,919                        | 6,357,972,775                          |
| -Pen drives and cards   |                  | 898,144,615                          | 828,916,882                            |
| -Solid state lighting   |                  | 107,642,738                          | 132,278,924                            |
| -Others                 |                  | 51,846,104                           | 72,997,089                             |
|                         | <b>(A)</b>       | <b>5,278,457,376</b>                 | <b>7,392,165,670</b>                   |
| <b>Traded goods</b>     |                  |                                      |  |
| -Optical media products |                  | -                                    | 18,200,479                             |
| -Pen drives and cards   |                  | 1,090,052                            | 79,118,403                             |
| -Solid state lighting   |                  | 12,425,702                           | 52,546,133                             |
| -Others                 |                  | 816,787                              | 201,709                                |
|                         | <b>(B)</b>       | <b>14,332,541</b>                    | <b>150,066,724</b>                     |
| <b>Total</b>            | <b>(A) + (B)</b> | <b>5,292,789,917</b>                 | <b>7,542,232,394</b>                   |

(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.

| Particulars     | For the year ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|-----------------|--------------------------------------|--|
| Lease rent      | 154,571,250                          | 243,998,803                            |
| Service charges | 284,825,283                          | 237,142,939                            |
| <b>Total</b>    | <b>439,396,533</b>                   | <b>481,141,742</b>                     |

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

### 23 Other income

| Particulars                                 | For the year ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|---|--------------------------------------|--|
| <b>Interest income on</b>                   |                                      |  |
| - Deposits with banks                       | 13,354,594                           | 23,709,102                             |
| - Loans to subsidiaries                     | 9,417,000                            | 11,790,600                             |
| - Unquoted long term investments            | 66,249,999                           | 82,767,122                             |
| - Interest on Income tax refund             | 41,219,901                           | -                                      |
| - Others                                    | 1,979,393                            | 2,243,697                              |
| <b>Other non-operating income</b>           |                                      |  |
| Profit on sale of fixed assets (net)        | 5,978,628                            | -                                      |
| Gain on foreign currency transactions (net) | -                                    | 63,624,168                             |
| Prior period income (refer note 46)         | -                                    | 24,131,861                             |
| Others                                      | 5,683,581                            | -                                      |
| <b>Total</b>                                | <b>143,883,096</b>                   | <b>208,266,550</b>                     |

### 24 Cost of materials consumed

| Particulars                      | For the year ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|----------------------------------|--------------------------------------|--|
| Raw materials (refer note below) | 2,559,203,629                        | 3,347,217,911                          |
| Packing materials                | 365,527,384                          | 495,316,665                            |
| <b>Total</b>                     | <b>2,924,731,013</b>                 | <b>3,842,534,576</b>                   |

#### Note:

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

| Particulars   | For the year ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|---------------|--------------------------------------|--|
| Polycarbonate | 1,289,796,213                        | 1,970,995,254                          |
| Silver        | 119,032,407                          | 185,505,046                            |
| Nand          | 551,367,563                          | 396,406,872                            |
| Others        | 599,007,446                          | 793,503,451                            |
| <b>Total</b>  | <b>2,559,203,629</b>                 | <b>3,346,410,623</b>                   |

### 25 Purchase of stock in trade

| Particulars                        | For the year ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|------------------------------------|--------------------------------------|--|
| Purchase of solid state lighting   | 12,583,779                           | 42,589,235                             |
| Purchase of pen drives and cards   | 1,049,055                            | 63,174,822                             |
| Purchase of optical media products | 73,209                               | 18,579,864                             |
| Others                             | 517,618                              | 45,973                                 |
| <b>Total</b>                       | <b>14,223,661</b>                    | <b>124,389,894</b>                     |

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

### 26 Change in stock of finished goods, work in progress and traded goods

| Particulars                      | For the year ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|----------------------------------|--------------------------------------|--|
| <b>Opening stock:</b>            |                                      |  |
| -Finished goods                  | 339,787,648                          | 358,987,755                            |
| -Work in progress                | 214,922,479                          | 797,600,408                            |
| -Traded goods                    | 15,887,023                           | 15,347,019                             |
|                                  | <b>570,597,150</b>                   | <b>1,171,935,182</b>                   |
| <b>Less: Opening stock:</b>      |                                      |  |
| -Finished goods                  | 358,987,755                          | 722,052,756                            |
| -Work in progress                | 797,600,408                          | 1,323,112,460                          |
| -Traded goods                    | 15,347,019                           | 8,786,905                              |
|                                  | <b>1,171,935,182</b>                 | <b>2,053,952,121</b>                   |
| Excise duty on finished goods    | 3,283,431                            | 4,270,586                              |
|                                  | <b>598,054,601</b>                   | <b>877,746,353</b>                     |
| Exceptional item (refer note 31) | 391,868,984                          | 310,992,976                            |
| <b>Total</b>                     | <b>206,185,617</b>                   | <b>566,753,377</b>                     |

### 27 Employee benefits expense

| Particulars  | For the year ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|--|--------------------------------------|--|
| Salaries, wages and bonus                                      | 1,071,335,839                        | 1,439,230,179                          |
| Contributions to - (refer note 42)                             |                                      |  |
| -Provident fund  | 59,282,622                           | 72,746,654                             |
| -Employee's state insurance                                    | 544,446                              | 399,687                                |
| -Gratuity fund   | 48,623,401                           | 50,857,320                             |
| Social security and other benefit plans for overseas employees | 1,899,650                            | 5,399,623                              |
| Staff welfare  | 66,795,382                           | 114,550,778                            |
| <b>Total</b>   | <b>1,248,481,340</b>                 | <b>1,683,184,241</b>                   |

### 28 Depreciation and amortisation

| Particulars                                   | For the year ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|---|--------------------------------------|--|
| Depreciation and amortisation (refer note 46) | 621,395,160                          | 1,060,566,424                          |
| <b>Total</b>                                  | <b>621,395,160</b>                   | <b>1,060,566,424</b>                   |

### 29 Finance cost

| Particulars      | For the year ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|------------------|--------------------------------------|--|
| Interest expense | 2,125,800,094                        | 2,743,816,119                          |
| <b>Total</b>     | <b>2,125,800,094</b>                 | <b>2,743,816,119</b>                   |

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

### 30 Other expenses

| Particulars                                 | For the year ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|---|--------------------------------------|--|
| Consumption of stores and spares            | 110,055,539                          | 191,812,763                            |
| Power and fuel                              | 558,964,044                          | 700,364,542                            |
| Freight and forwarding                      | 92,604,192                           | 117,389,511                            |
| Royalty                                     | 28,166,640                           | 219,316,727                            |
| Rent  | 406,824,866                          | 569,421,401                            |
| Repairs                                     |                                      |  |
| -Buildings                                  | 92,000                               | -                                      |
| -Machinery                                  | 2,981,595                            | 6,407,779                              |
| -Others                                     | 12,456,262                           | 16,135,976                             |
| Insurance                                   | 49,813,948                           | 63,440,404                             |
| Outsourced staff cost                       | 47,496,298                           | 115,148,059                            |
| Rates and taxes                             | 2,274,492                            | 1,999,277                              |
| Remuneration to auditors (refer note below) | 11,147,715                           | 15,840,938                             |
| Travelling and conveyance                   | 41,903,702                           | 64,170,097                             |
| Legal and professional                      | 25,799,212                           | 49,562,576                             |
| Warranty expenses                           | 1,899,016                            | 3,723,894                              |
| Loss on sale of fixed assets                | 1,135,388                            | 658,696                                |
| Net loss on foreign currency translation    | 14,576,698                           | -                                      |
| Provision for doubtful debtors              | 4,522,848                            | 5,393,882                              |
| Provision for doubtful advances             | -                                    | 5,344,043                              |
| Prior period items (refer note 46)          | 52,106,706                           | -                                      |
| Bank and letter of credit charges           | 19,266,582                           | 34,772,873                             |
| Others                                      | 90,254,082                           | 106,778,586                            |
| <b>Total</b>                                | <b>1,574,341,825</b>                 | <b>2,287,682,024</b>                   |

#### Note:

Payment to auditors include the following:

| Particulars                                 | For the year ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|---|--------------------------------------|--|
| Statutory audit (including limited reviews) | 9,500,000                            | 14,450,000                             |
| Certification and other services            | 980,000                              | 662,500                                |
| Out of pocket expenses                      | 667,715                              | 728,438                                |
| <b>Total</b>                                | <b>11,147,715</b>                    | <b>15,840,938</b>                      |

### 31 Exceptional items

| Particulars  | For the year ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|--|--------------------------------------|--|
| Exchange gain / (loss) on foreign currency convertible bonds                                 | 124,644,000                          | (284,709,000)                          |
| Provision of doubtful debtors and others receivables*  | (3,346,328,976)                      | (442,690,545)                          |
| Interest expense for previous year under Corporate Debt Restructuring scheme (refer note 21) | (159,516,378)                        | -                                      |
| Provision for net realisable value of inventory  | (391,868,984)                        | (310,992,975)                          |
| Provision for slow moving inventory of stores & spares and consumables                       | (246,177,602)                        | -                                      |
| Provision for impairment   | (610,000,000)                        | -                                      |
| Provision for diminution in long term investments  | (3,404,970,770)                      | (1,493,333,001)                        |
| <b>Total</b>   | <b>(8,034,218,710)</b>               | <b>(2,531,725,521)</b>                 |

\*Provision for doubtful debtors in subsidiary companies Moser Baer Solar Limited, Moserbaer Entertainment Limited, Moser Baer Distribution limited and Helios Photo Voltaic Limited (previous year Helios Photo Voltaic Limited (formerly Moser Baer Photo Voltaic Limited)).

## MOSER BAER INDIA LIMITED

### Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

#### 32 Contingent liabilities

- (a) Corporate guarantees given on behalf of the subsidiary companies: Rs. 20,518,700,000 (previous period Rs. 20,518,700,000). Against these guarantees, loans aggregating Rs. 19,936,513,039 (previous period Rs. 19,060,818,131) have been availed by the subsidiary companies.
- (b) Disputed demands (gross) in respect of:

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
|   | Rs.                     | Rs.                     |
| <b>Entry tax</b><br>[Amount paid under protest Rs. 10,382,071 (previous period Rs. 10,382,071) and bank guarantees furnished Rs. 10,919,501 (previous period Rs. 10,919,501)]           | 128,816,943             | 127,609,720             |
| <b>Service tax</b><br>[Amount paid under protest Rs. 2,953,470 (previous period Rs.2,953,470)]  | 28,973,297              | 627,051,199             |
| <b>Sales tax</b><br>[Amount paid under protest Rs. 23,656,138 (previous period Rs.26,742,097) and bank and other guarantees furnished Rs. 24,507,874 (previous period Rs. 100,989,626)] | 74,047,543              | 128,067,033             |
| <b>Excise duty</b><br>[Amount paid under protest Rs. 482,527 (previous period Rs.982,527)]  | 403,828,993             | 585,633,503             |
| <b>Custom duty</b><br>[Amount paid under protest Rs. 4,823,292 (previous period Rs.4,823,292)]  | 28,498,050              | 28,498,050              |
| <b>Income tax</b><br>[Amount paid under protest Rs. 121,478,650 (previous period Rs. 36,279,670)]   | 215,297,686             | 903,566,208             |
| <b>Total</b>  | <b>879,462,512</b>      | <b>2,400,425,713</b>    |

- (c) Claims against the Company not acknowledged as debts: Rs. 345,900 (previous period Rs. 345,900).
- (d) Bonus payable for the period of April 1, 2014 to March 31, 2015 pursuant to retrospective amendment in Bonus Act : Rs. 5,465,257. Since, the matter is subjudice and various high courts have given stay order against retrospective amendment, it has been considered as contingency liability.
- (e) Letters of credit opened by banks on behalf of the Company: Nil (previous period Rs. 29,390,649).
- (f) Recompense amount payable in lieu of bank sacrifice (mandarory disclosure as per RBI): Rs. Nil (previous period Rs. 1,694,176,764).  
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.
- (g) In respect of the outstanding foreign currency convertible bonds ( FCCBs), bondholders have claimed interest for the period beyond the original date of redemption. As explained in more detail in Note 43(b), the Company is in the process of negotiating restructuring of these bonds. Management expects to restructure these bonds by extension of the redemption date as prescribed by the Reserve Bank of India. Contingent liability in respect thereof can't be estimated reliably.

#### 33 Capital commitments

Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances Rs. 33,083,244): Rs. 186,050,556 (previous period Rs. 185,969,581).

#### 34 (a) Lease obligations

The Company has entered into operating leases for its offices, guest houses, employee's residences and utilities that are renewable on a periodic basis and are cancellable at Company's option. Total lease payments recognised in the statement of profit and loss with respect to aforementioned premises is Rs. 406,824,866 (previous period Rs. 569,421,401). The total rent recovered on sub lease during the year is Nil (previous period Rs. Nil).



## MOSER BAER INDIA LIMITED

### Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

#### (b) 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. 1,575,000,000 (previous period 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<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| Gross investments in the lease                          |                         |                         |
| Not later than one year                                 | 357,395,345             | 430,019,521             |
| Later than one year but not later than five years       | 330,088,856             | 658,204,201             |
| Later than five years                                   | 538,831,378             | 568,111,378             |
| <b>Total</b>  | <b>1,226,315,579</b>    | <b>1,656,335,100</b>    |
| Present value of minimum lease payments receivable      |                         |                         |
| Not later than one year                                 | 124,683,545             | 171,563,439             |
| Later than one year but not later than five years       | 84,500,085              | 199,771,347             |
| Later than five years                                   | (80,830,346)            | (77,244,108)            |
| <b>Total</b>  | <b>128,353,284</b>      | <b>294,090,679</b>      |
| <b>Unearned finance income</b>                          | <b>986,804,014</b>      | <b>1,245,260,096</b>    |
| <b>The present value of unguaranteed residual value</b> | <b>111,158,281</b>      | <b>116,984,325</b>      |

#### 35 Taxation

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

As per para 15 and 17 of Accounting Standard 22, "Accounting for Taxes on Income", deferred tax assets should be recognised and carried forward only to the extent that there is a reasonable /virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets have not been recognised in view of the accumulated losses and in absence of reasonable / virtual certainty to absorb the losses in future.

#### 36 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) There is no forward contract outstanding as at March 31, 2017

(b) The foreign currency exposures not hedged as at year end as at March 31, 2017 are as under:

| Currency exchange               | USD              | EUR           | GBP         | CHF         | JPY          | SGD         | AUD     |
|---------------------------------|------------------|---------------|-------------|-------------|--------------|-------------|---------|
| Receivables in foreign currency | 34,804,225       | 3,007,918     | 781         | 5,710       | 643,349      | 315         | 65      |
| Rs. Value                       | 2,256,705,972    | 208,388,583   | 63,572      | 369,037     | 374,815      | 14,758      | 3,187   |
| Receivables in foreign currency | (32,692,485)     | (2,222,314)   | (781)       | (5,710)     | (549,812)    | (315)       | (65)    |
| Rs. Value                       | (2,165,877,113)  | (167,518,014) | (74,330)    | (393,084)   | (323,564)    | (15,452)    | (3,296) |
| Payables in foreign currency    | 197,964,142      | 340,559       | 15,005      | 131,014     | 35,409,091   | 155,499     | -       |
| Rs. Value                       | 12,837,974,612   | 23,597,318    | 1,222,073   | 8,468,721   | 20,632,878   | 7,300,988   | -       |
| Payables in foreign currency    | (183,436,892)    | (480,518)     | (11,705)    | (131,014)   | (40,400,246) | (170,748)   | -       |
| Rs. Value                       | (12,154,528,493) | (36,240,704)  | (1,114,144) | (9,032,748) | (23,783,827) | (8,393,971) | -       |

Figures in bracket are previous year figures.

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

### 37 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, 2017 | For the period ended March 31, 2016 | For the year ended March 31, 2017 | For the period ended March 31, 2016 |
| <b>Imported</b>   |                                   |                                     |                                   |                                     |
| Value (Rs.)       | 2,110,087,173                     | 3,053,600,503                       | 38,165,748                        | 84,146,142                          |
| Percentage        | 72.15                             | 79.49                               | 34.68                             | 43.87                               |
| <b>Indigenous</b> |                                   |                                     |                                   |                                     |
| Value (Rs.)       | 814,643,840                       | 788,126,785                         | 71,889,791                        | 107,666,621                         |
| Percentage        | 27.85                             | 20.51                               | 65.32                             | 56.13                               |
| <b>Total</b>      | <b>2,924,731,013</b>              | <b>3,841,727,288</b>                | <b>110,055,539</b>                | <b>191,812,763</b>                  |
| Percentage        | <b>100</b>                        | <b>100</b>                          | <b>100</b>                        | <b>100</b>                          |

### 38 Foreign currency transactions:

| Particulars |  | For the year ended March 31, 2017 | For the period ended March 31, 2016 |
|-------------|--|-----------------------------------|-------------------------------------|
| <b>(A)</b>  | <b>Value of imports on CIF basis:</b>  |                                   |                                     |
|             | Purchase of finished goods   | 1,779,069                         | 1,681                               |
|             | Raw material, including material in transit Rs. 6,157,166 (previous period Rs. 18,187,546)             | 1,011,526,996                     | 1,005,596,791                       |
|             | Capital goods  | 176,746                           | 4,285,071                           |
|             | Stores, spares and consumables, including material in transit Rs 406,579 (previous period Rs. 113,243) | 33,374,911                        | 73,719,114                          |
|             | Packing material   | 12,053,862                        | 62,279,980                          |
|             | <b>Total</b>   | <b>1,058,911,584</b>              | <b>1,145,882,637</b>                |
| <b>(B)</b>  | <b>Expenditure in foreign currency (on accrual basis) :</b>  |                                   |                                     |
|             | Travel   | 4,217,659                         | 4,235,040                           |
|             | Royalty/technical know-how fees  | 28,166,640                        | 219,316,727                         |
|             | Directors sitting fees   | -                                 | 150,000                             |
|             | Legal and professional   | 660,648                           | 3,365,976                           |
|             | Other expenditure  | 2,081,209                         | 6,114,366                           |
|             | Expenditure of foreign branch/liaison office:  |                                   |                                     |
|             | -Staff welfare   | 16,238                            | 31,822                              |
|             | -Rent/lease rent   | 1,603,658                         | 2,400,343                           |
|             | -Legal and professional expenses   | 1,339,778                         | 1,698,522                           |
|             | -Freight   | 8,452,486                         | 8,630,334                           |
|             | -Miscellaneous expenses  | 9,949,523                         | 34,638,552                          |
|             | -Insurance   | 1,331,258                         | 2,594,344                           |
|             | -Salaries and wages  | 5,335,977                         | 16,589,795                          |
|             | -Repairs and maintenance   | 12,061                            | 32,698                              |
|             | <b>Total</b>   | <b>63,167,135</b>                 | <b>299,798,519</b>                  |
| <b>(C)</b>  | <b>Earnings in foreign exchange (on accrual basis) :</b>   |                                   |                                     |
|             | Value of exports on FOB basis  | 2,288,174,409                     | 3,127,152,952                       |
|             | <b>Total</b>   | <b>2,288,174,409</b>              | <b>3,127,152,952</b>                |

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

### 39 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 (formerly Moser Baer Energy Limited)                   | 100%          |
| Subsidiary   | Moser Baer Entertainment Limited   | 100%          |
| Subsidiary   | Moser Baer Investments Limited   | 100%          |
| Subsidiary   | Photovoltaic Holdings Limited (formerly Photovoltaic Holdings PLC)                     | 100%          |
| Subsidiary   | MB Solar Holdings Limited (formerly Moser Baer Solar PLC)                              | 100%          |
| Subsidiary   | Moser Baer Solar Limited   | 100%          |
| Subsidiary   | Helios Photo Voltaic Limited   | 100%          |
| Subsidiary   | Perafly Limited  | 100%          |
| Subsidiary   | Nicofly 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   | Moser Baer Technologies Inc.***  | 100%          |
| Subsidiary   | Moser Baer Infrastructure and Developers Limited                                       | 100%          |
| Subsidiary   | Helios Photo Voltaic Inc. USA (formerly known as 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 | Microgreen Electronics Private Limited   | -             |
|  | Natia Consultancy Private Limited  | -             |
|  | Moser Baer Projects Private Limited.   | -             |

\* Dissolved on December 21, 2015

\*\*\* Dissolved on April 22, 2015

\*\*\*\* Applied for dissolution in U.S. Bankruptcy court

#### Key management personnel

|                              |                 |
|------------------------------|-----------------|
| Chairman & Managing Director | Mr. Deepak Puri |
| Whole Time Director          | Mrs. Nita Puri  |

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

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

| Transaction during the period / year                                  | For the year ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|---|--------------------------------------|--|
| <b>Sales of finished goods</b>  |                                      |  |
| Moser Baer Solar Limited  | 10,774,934                           | 14,351,897                             |
| Moser Baer Entertainment Limited                                      | 907,331,496                          | 981,438,142                            |
| <b>Sale of services</b>   |                                      |  |
| Helios Photo Voltaic Limited  | 199,606,086                          | 196,310,666                            |
| Moser Baer Solar Limited  | 237,898,040                          | 277,626,594                            |
| <b>Expenses incurred on behalf of other companies</b>                 |                                      |  |
| Helios Photo Voltaic Limited  | 27,000                               | 50,542                                 |
| Moser Baer Solar System Private Limited                               | 6,547                                | 5,314                                  |
| Moser Baer Solar Limited  | 229,598                              | 24,404                                 |
| Moser Baer Entertainment Limited                                      | 137,793                              | 1,738,748                              |
| Others  | 136,300                              | 122,235                                |
| <b>Reimbursement/ recovery of expenses</b>                            |                                      |  |
| Helios Photo Voltaic Limited  | -                                    | 136,757                                |
| Moser Baer Solar Limited  | -                                    | 66,334                                 |
| Others  | 30,324                               | 73,678                                 |
| <b>Provision made/balances written off</b>                            |                                      |  |
| Helios Photo Voltaic Limited  | 29,781,096                           | 417,334,716                            |
| Moser Baer Solar Limited  | 2,590,410,880                        | -                                      |
| Moser Baer Infrastructure and Developers Limited                      | 151,302,723                          | -                                      |
| Moser Baer Entertainment Limited                                      | 574,834,278                          | -                                      |
| <b>Balances written back</b>  |                                      |  |
| Cubic Technologies B.V  | -                                    | 8,972,868                              |
| <b>Purchase of semi finished goods/ raw material/services</b>         |                                      |  |
| Moser Baer Entertainment Limited                                      | 483,739,388                          | 241,624,198                            |
| Helios Photo Voltaic Limited  | -                                    | 7,974,241                              |
| Moser Baer Solar Limited  | -                                    | 11,826,197                             |
| <b>Expenses charged by related party</b>                              |                                      |  |
| Moser Baer Solar Limited  | 374,363,100                          | 524,010,072                            |
| <b>Fund received by Related Party on our behalf</b>                   |                                      |  |
| Moser Baer Entertainment Limited                                      | 176,925,529                          | 139,868,600                            |
| <b>Loans and advances received</b>                                    |                                      |  |
| Microgreen Electronics Private Limited                                | 18,000,000                           | 19,500,000                             |
| Natia Consultancy Private Limited                                     | -                                    | 52,500,000                             |
| <b>Interest charges in respect of loans/ investments</b>              |                                      |  |
| Moser Baer Infrastructure & Developers Limited                        | 9,417,000                            | 11,764,800                             |
| Moser Baer Solar Limited  | 66,249,999                           | 82,767,122                             |
| <b>Provision for diminution in the value of long term investments</b> |                                      |  |
| Helios Photo Voltaic Limited  | -                                    | 1,352,582,260                          |
| Moser Baer Solar Limited  | 1,960,000,000                        | -                                      |
| Photovoltaic Holdings Limited   | 498,080,000                          | 140,750,741                            |
| Moser Baer Investment Limited   | 645,146,600                          | -                                      |
| European Optic Media Technology GMBH                                  | 54,101,170                           | -                                      |
| Moser Baer Entertainment Limited                                      | 247,643,000                          | -                                      |
| <b>Equity share allotted during the period</b>                        |                                      |  |
| Microgreen Electronics Private Limited                                | -                                    | 134,500,000                            |
| <b>Remuneration</b>   |                                      |  |
| Mr. Deepak Puri   | 13,422,602                           | 16,742,004                             |
| Mrs. Nita Puri  | 4,250,006                            | 5,276,252                              |

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

| Balances   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <b>Outstanding receivables</b>                             |                         |                         |
| <b>In respect of sales or services</b>                     |                         |                         |
| Helios Photo Voltaic Limited                               | 434,668,921             | 812,726,099             |
| Moser Baer Solar Limited                                   | 3,254,087,534           | 5,322,294,211           |
| Moser Baer Solar System Private Limited                    | 2,010,809               | 2,004,262               |
| Moser Baer Entertainment Limited                           | 362,871,611             | 1,177,609,553           |
| Others   | 162,679                 | 54,279                  |
| <b>In respect of loans to subsidiary:-</b>                 |                         |                         |
| Moser Baer Infrastructure & Developers Limited             | -                       | 86,000,000              |
| <b>In respect of Interest accrued on loans/ investment</b> |                         |                         |
| Moser Baer Infrastructure & Developers Limited             | -                       | 55,979,893              |
| Moser Baer Solar Limited                                   | -                       | 288,464,560             |
| <b>In respect of debentures</b>                            |                         |                         |
| Moser Baer Solar Limited                                   | -                       | 500,000,000             |
| <b>Outstanding payable</b>                                 |                         |                         |
| <b>In respect of expenses/purchases</b>                    |                         |                         |
| Moser Baer Solar Limited                                   | 1,949,087,534           | 1,576,596,250           |
| Helios Photo Voltaic Limited                               | 15,391,383              | 15,391,383              |
| Moser Baer Entertainment Limited                           | 14,409,834              | 81,972,975              |
| <b>In respect of loans received</b>                        |                         |                         |
| Microgreen Electronics Private Limited                     | 30,000,000              | 12,000,000              |
| Natia Consultancy Private Limited                          | 52,500,000              | 52,500,000              |
| <b>In respect of security deposit received for lease</b>   |                         |                         |
| Helios Photo Voltaic Limited                               | 380,000,000             | 380,000,000             |
| Moser Baer Solar Limited                                   | 1,305,000,000           | 1,335,000,000           |
| <b>In respect of KMPs' remuneration</b>                    |                         |                         |
| Mr. Deepak Puri  | 6,242,895               | 1,132,917               |
| Mrs. Nita Puri   | 755,864                 | 450,432                 |

### (c) Other arrangements

(i) Details of corporate guarantees provided on behalf of subsidiary companies

| Particulars                  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|------------------------------|-------------------------|-------------------------|
| Helios Photo Voltaic Limited | 10,018,400,000          | 10,018,400,000          |
| Moser Baer Solar Limited     | 10,500,300,000          | 10,500,300,000          |
|                              | <b>20,518,700,000</b>   | <b>20,518,700,000</b>   |

(ii) Details of surety provided by subsidiary companies on behalf of the Company

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| Moser Baer Entertainment Limited                              | -                       | 12,343,836              |
| Moser Baer Solar Limited and Moser Baer Entertainment Limited | -                       | 62,743,734              |
|   | -                       | <b>75,087,570</b>       |

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

### 40 Loss per share

| Particulars   | For the year ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|---|--------------------------------------|--|
| (a) Calculation of weighted average number of equity shares                                   |                                      |  |
| 1. For Basic EPS  |                                      |  |
| No. of shares at the beginning of the year/period   | 221,765,983                          | 208,306,104                            |
| Total number of equity shares outstanding at the end of the year/period                       | 221,765,983                          | 221,765,983                            |
| Weighted average number of equity shares outstanding during the year/period                   | 221,765,983                          | 219,137,992                            |
| 2. For Diluted EPS  |                                      |  |
| Weighted average number of equity shares outstanding during the year/period as computed above | 221,765,983                          | 219,137,992                            |
| Weighted average number of stock options outstanding during the year/period                   | -                                    | -                                      |
| Weighted average number of equity shares outstanding during the year/period for diluted EPS   | 221,765,983                          | 219,137,992                            |
| (b) Net loss after tax available for equity shareholders                                      | (11,139,560,016)                     | (7,036,473,934)                        |
| <b>Loss per share (face value per share Rs. 10 each)</b>                                      |                                      |  |
| <b>Basic</b>  | <b>(50.23)</b>                       | <b>(32.11)</b>                         |
| <b>Diluted</b>  | <b>(50.23)</b>                       | <b>(32.11)</b>                         |

### 41 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, 2017.

### 42 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:

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| Employers' contribution to provident fund*                       | 31,763,012              | 47,212,681              |
| Employers' contribution to Employee's State Insurance Act, 1948* | 544,446                 | 399,687                 |
| Employers' contribution to Employees Pension Scheme, 1995*#      | 27,519,610              | 25,533,973              |

\* Included in contribution to provident and other funds under employees benefits expenses (refer note 27)

# Includes admin charges Rs. 3,920,417 (previous period - Rs. 4,906,508)

#### 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<br>ended March<br>31, 2017 | For the period<br>ended March<br>31, 2016 | For the year<br>ended March<br>31, 2017 | For the period<br>ended March<br>31, 2016 |
| Discount rate (per annum)  | 7.00%                                   | 7.84%                                     | 7.00%                                   | 7.84%                                     |
| Rate of increase in compensation levels                              | 10.00%                                  | 10.00%                                    | 10.00%                                  | 10.00%                                    |
| Rate of return on plan assets  | -                                       | -   | 7.00%                                   | 7.84%                                     |
| <b>Expected average remaining working lives of employees (years)</b> | <b>6.15</b>                             | <b>6.12</b>                               | <b>6.15</b>                             | <b>6.12</b>                               |

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

### (ii) Expenses recognised in the statement of profit and loss

| Particulars  | Employee's gratuity fund          |                                     |
|--|-----------------------------------|-------------------------------------|
|  | For the year ended March 31, 2017 | For the period ended March 31, 2016 |
| Current service cost   | 19,210,203                        | 24,425,320                          |
| Interest cost  | 19,258,472                        | 22,562,605                          |
| Expected return on plan asset                                    | (3,922,679)                       | (5,769,209)                         |
| (Gain)/Loss due to equitable interest transferred                | (32,63,643)                       | -                                   |
| Net actuarial gain recognized in the year/period                 | 17,341,048                        | 9,638,604                           |
| <b>Total expenses recognised in statement of profit and loss</b> | <b>48,623,401</b>                 | <b>50,857,320</b>                   |

\* Included in salaries, wages and bonus expenses (refer note 27)

### (iii) Changes in the present value of obligation

| Particulars   | Employee's gratuity fund          |                                     |
|---|-----------------------------------|-------------------------------------|
|   | For the year ended March 31, 2017 | For the period ended March 31, 2016 |
| Present value of obligation as at the beginning of the year/period  | 257,702,602                       | 242,561,200                         |
| Interest cost   | 19,258,472                        | 22,562,605                          |
| Current service cost  | 19,210,203                        | 24,425,320                          |
| Benefits paid   | (17,514,221)                      | (41,062,511)                        |
| Equitable Interest transferred                                      | (32,63,643)                       | -                                   |
| Actuarial (gain)/loss on obligations                                | 17,931,861                        | 9,215,988                           |
| <b>Present value of obligation as at the end of the year/period</b> | <b>293,325,274</b>                | <b>257,702,602</b>                  |

### (iv) Bifurcation of present value of defined benefit obligation is as under:

| Particulars           | Employee's gratuity fund |                      |
|-----------------------|--------------------------|----------------------|
|                       | As at March 31, 2017     | As at March 31, 2016 |
| Current liability     | 45,437,866               | 43,327,855           |
| Non-current liability | 247,887,408              | 214,374,747          |

### (v) Changes in the fair value of plan assets

| Particulars   | Employee's gratuity fund |                      |
|---|--------------------------|----------------------|
|   | As at March 31, 2017     | As at March 31, 2016 |
| Fair value of plan assets as at the beginning of the year/period  | 56,238,776               | 64,781,179           |
| Expected return on plan assets                                    | 3,922,679                | 5,769,209            |
| Actuarial gains and losses  | 590,813                  | (422,616)            |
| Contributions   | 5,105,003                | 27,173,515           |
| Benefits paid   | (17,514,221)             | (41,062,511)         |
| <b>Fair value of plan assets as at the end of the year/period</b> | <b>48,343,050</b>        | <b>56,238,776</b>    |

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

### (vi) Reconciliation of fair value of assets and obligations for the current and past years

| Particulars                                 | Employee's gratuity fund |                         |                            |                            |                         |
|---|--------------------------|-------------------------|----------------------------|----------------------------|-------------------------|
|   | As at<br>March 31, 2017  | As at<br>March 31, 2016 | As at<br>December 31, 2014 | As at<br>December 31, 2013 | As at<br>March 31, 2013 |
| Present value of defined benefit obligation | 293,325,274              | 257,702,602             | 242,561,200                | 235,881,333                | 246,239,750             |
| Fair value of plan assets                   | 48,343,050               | 56,238,776              | 64,781,180                 | 77,202,636                 | 108,194,753             |
| Deficit in the plan assets                  | (244,982,224)            | (201,463,827)           | (177,780,020)              | (158,678,697)              | (138,044,997)           |
| Experience Adjustments in Plan Assets       | 590,813                  | (422,616)               | 859,740                    | -                          | 308,491                 |

| Particulars                                 | Unavailed leaves (unfunded) |                         |                            |                            |                         |
|---|-----------------------------|-------------------------|----------------------------|----------------------------|-------------------------|
|   | As at<br>March 31, 2017     | As at<br>March 31, 2016 | As at<br>December 31, 2014 | As at<br>December 31, 2013 | As at<br>March 31, 2013 |
| Present value of defined benefit obligation | 72,545,698                  | 74,837,409              | 80,588,390                 | 79,152,436                 | 80,875,157              |
| Deficit in the plan assets                  | (72,545,698)                | (74,837,409)            | (80,588,390)               | (79,152,436)               | (80,875,157)            |

The expected contribution on account of gratuity for the year ended March 31, 2018 cannot be ascertained at this stage. In respect of the employee's gratuity fund, constitution of plan assets is not readily available from the Life Insurance Corporation of India.

### 43 Foreign currency convertible bonds

#### (a) Premium on redemption of foreign currency convertible bonds : Movement from beginning to end of reporting period as follows:

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| Opening balance   | 4,983,850,363           | 3,879,418,653           |
| Add provision for the year/period   | 662,950,425             | 1,110,455,271           |
| Less: provision reversed on issue of equity shares                                | -                       | (60,23,561)             |
|   | <b>5,646,800,788</b>    | <b>4,983,850,363</b>    |
| Less: Current maturities transferred to other current liabilities (refer note 11) | 2,129,250,712           | 2,175,545,909           |
| Classified under short term provision (refer note 12)                             | 3,517,550,076           | 2,808,304,454           |

Premium payable on redemption of FCCB accrued up to March 31, 2017 calculated on prorata basis Rs. 5,646,800,788 (previous period Rs. 4,983,850,363) 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.

(b) The Company has outstanding foreign currency convertible bonds (FCCBs) with principal value of USD 88,400,000 equivalent to Rs. 5,732,740,000 (as on March 31, 2016 USD 88,400,000 equivalent to Rs.5,857,384,000) which were due for redemption along with premium on 21 June 2012. As at March 31, 2017, accrual for premium on FCCB aggregates Rs.5,646,800,788. The Company is in the process of negotiation with the bondholders to re-structure the terms of these bonds. This is now subject to the approval of secured lenders, which is expected to be settled only along with the resolution of secured debt. Meanwhile, the Company has applied to the RBI for extension of time.

(c) During the previous period, the Company issued 9,879 equity shares of Rs. 10 each upon conversion of 6.75% Tranche B Foreign Currency Convertible Bonds (FCCBs) of principal amount of USD 100,000 to one of the bondholders out of the total of USD 43 million outstanding as at December 31, 2014. Post the conversion, Tranche B FCCBs aggregating to USD 42.9 million and Tranche A FCCBs aggregating to USD 45.5 million are outstanding as at March 31, 2017.

44 Based on the information available with the Company, the Company has identified 33 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.



## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

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

| Particulars |  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|-------------|--|-------------------------|-------------------------|
| (a)         | Amount remaining unpaid to micro ,small and medium enterprises at the end of year                        |                         |                         |
|             | Principal amount   | 24,997,413              | 20,579,544              |
|             | Interest thereon   | 28,643,844              | 33,038,146              |
|             | <b>Total</b>   | <b>53,641,257</b>       | <b>53,617,689</b>       |
| (b)         | Amount of payments made to micro, small and medium enterprises beyond the appointed date during the year |                         |                         |
|             | Principal amount   | 80,836,466              | 139,484,519             |
|             | Interest actually paid u/s 16 of the act.  | -                       | -                       |
|             | <b>Total</b>   | <b>80,836,466</b>       | <b>139,484,519</b>      |
| (c)         | Interest accrued (including interest u/s 16 of the act) and remaining unpaid at the end of the year      |                         |                         |
|             | Interest accrued during the year.  | 5,100,778               | 7,965,159               |
|             | Interest remaining unpaid during the year.   | 28,643,844              | 33,038,146              |

#### 45 Details of defaults in repayment of dues to the bank:

Consequent to exit from CDR and recall notices served by the lender banks during the year, the Company has classified debt from non-current liabilities to current liabilities and derecognized the amounts recoverable from banks under CDR scheme with corresponding adjustments to the debt and interest expense. In the absence of any definitive agreement and reconciliation of outstanding debt with the banks, the Company has not been able to determine the impact of exit from CDR on the carrying value of debt and interest payable thereon and accordingly continues to record interest on the basis of Master Restructuring Agreement executed with the CDR lenders.

The Company has defaulted in repayment of dues (including interest) to the banks and financial institutions during the current year as well as in earlier years and consequent to exit from CDR as mentioned above, the entire amount of loan including interest due thereon has been shown as default as at balance sheet.

| Name of Banks / Financial institutions  | Nature of dues | Amount (Rs.)  | Period to which it relates  |
|---|----------------|---------------|-----------------------------|
| Union Bank of India   | Principal      | 851,877,632   | February 2014 - March 2017  |
| Union Bank of India   | Interest       | 335,564,041   | December 2013 - March 2017  |
| Syndicate Bank  | Principal      | 393,409,713   | June 2014 - March 2017      |
| Syndicate Bank  | Interest       | 112,851,642   | August 2014 - March 2017    |
| State Bank of Travancore  | Principal      | 225,600,767   | February 2015 - March 2017  |
| State Bank of Travancore  | Interest       | 17,860,712    | December 2013 - March 2017  |
| State Bank of Patiala   | Principal      | 2,903,829,302 | June 2014 - March 2017      |
| State Bank of Patiala   | Interest       | 906,716,433   | January 2014 - March 2017   |
| UCO Bank  | Principal      | 1,274,299,436 | December 2013 - March 2017  |
| UCO Bank  | Interest       | 342,951,349   | May 2014 - March 2017       |
| State Bank of Bikaner and Jaipur  | Principal      | 1,383,695,282 | June 2014 - March 2017      |
| State Bank of Bikaner and Jaipur  | Interest       | 354,784,781   | June 2014 - March 2017      |
| Bank of Baroda  | Principal      | 1,147,981,537 | December 2013 - March 2017  |
| Bank of Baroda  | Interest       | 422,706,888   | February 2014 - March 2017  |
| State Bank of Hyderabad (assigned in favor of Alchemist asset reconstruction limited) | Principal      | 1,055,581,365 | November 2014 - March 2017  |
| State Bank of Hyderabad (assigned in favor of Alchemist asset reconstruction limited) | Interest       | 254,065,547   | September 2014 - March 2017 |
| State Bank of India   | Principal      | 2,065,916,708 | September 2014 - March 2017 |
| State Bank of India   | Interest       | 599,888,478   | October 2014 - March 2017   |

## MOSER BAER INDIA LIMITED

### Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

| Name of Banks / Financial institutions | Nature of dues | Amount (Rs.)          | Period to which it relates  |
|--|----------------|-----------------------|-----------------------------|
| Central Bank of India                  | Principal      | 3,164,391,003         | August 2014 - March 2017    |
| Central Bank of India                  | Interest       | 929,357,818           | March 2014 - March 2017     |
| Punjab National Bank                   | Principal      | 2,546,677,365         | September 2014 - March 2017 |
| Punjab National Bank                   | Interest       | 724,918,915           | September 2014 - March 2017 |
| Vijaya Bank                            | Principal      | 82,505,052            | November 2014 - March 2017  |
| Vijaya Bank                            | Interest       | 14,480,617            | August 2015 - March 2017    |
| Exim Bank                              | Principal      | 881,944,415           | June 2014 - March 2017      |
| Exim Bank                              | Interest       | 292,943,724           | January 2014 - March 2017   |
| <b>Total</b>                           |                | <b>23,286,800,522</b> |                             |

#### 46 Prior period income/(expenses)

| Particulars  | For the year ended<br>March 31, 2017 | For the period ended<br>March 31, 2016 |
|--|--------------------------------------|--|
| Interest income on income tax refund                 | 11,129,243                           | -                                      |
| Depreciation on plant & machinery (insurance spares) | (52,106,706)                         | -                                      |
| ECGC Refund  | -                                    | 23,953,927                             |
| Others   | -                                    | 177,934                                |
| <b>Total</b>   | <b>(40,977,463)</b>                  | <b>24,131,861</b>                      |

#### 47 Impairment of investments

- (a) (a) Management performed an impairment assessment (using an independent valuer) of its investments in and advances/other receivables from one of the subsidiary company, Moser Baer Entertainment Limited as of 31 March 2017 to determine if there is any "other than temporary" diminution in the values of the investment and if outstanding receivables are recoverable. The future cash flows used in such assessment are dependent on the assumption of acceptance of debt resolution plan by lender banks of the Company and ability of this subsidiary company to continue to operate its business over the foreseeable future with the Company. Basis aforementioned assessment management has recorded a provision for other than temporary diminution, in carrying value of its investments, amounting to Rs. 247,643,000 in year ended 31 March 2017 (Rs. Nil in previous period ended 31 March 2016) and recorded a provision for doubtful receivables (net of payables) amounting to Rs. 574,834,277 in year ended 31 March 2017 (Rs. Nil in previous period ended 31 March 2016). Accordingly, net carrying values of investment, advances, trade and other receivables from this subsidiary as at March 31, 2017 aggregates to Rs. 515,327,111 (previous period Rs. 1,510,144,912).
- (b) Pursuant to ongoing discussions with lender banks in case of another subsidiary company, Moser Baer Solar Limited and its recent exit from CDR scheme, management has recorded an other than temporary provision amounting to Rs. 3,157,327,770 in year ended 31 March 2017 (Rs. Nil in previous period ended 31 March 2016) in carrying value of investments and made provision for doubtful receivables (net of payables) of this subsidiary, its holding companies, Photovoltaic Holdings Limited & Moser Baer Investments Limited and its fellow subsidiary company, European Optic Media Technology GmbH amounting to Rs. 2,620,191,976 in respect of subsidiaries. Accordingly, net carrying values of investment, advances, trade and other receivables from these subsidiaries as at March 31, 2017 aggregates to Rs. 39,277,538 (previous period Rs. 6,999,676,052).

## MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

(Figures in bracket are for the previous period)

| Entity                                  | Investment             | Loans and advances   | Trade and other receivables | Trade creditors and other liabilities | Net balance as at March 31, 2017 |
|---|------------------------|----------------------|-----------------------------|---------------------------------------|----------------------------------|
| Helios Photo Voltaic Limited (HPVL)     | -                      | 365,706,172          | 68,962,749                  | 395,391,383                           | 39,277,538                       |
|   | -                      | (365,080,765)        | (30,310,618)                | (395,391,383)                         | -                                |
| Moser Baer Solar Limited (MBSL)         | -                      | -                    | 3,254,087,534               | 3,254,087,534                         | -                                |
|   | (3,103,226,600)        | (346,921,482)        | (5,263,796,449)             | (2,911,596,250)                       | (5,802,348,282)                  |
| Moser Baer Entertainment Limited (MBEL) | -                      | -                    | -                           | -                                     | -                                |
|   | (498,080,000)          | -                    | -                           | -                                     | (498,080,000)                    |
| Photovoltaic Holdings Limited           | -                      | -                    | -                           | -                                     | -                                |
|   | (54,101,170)           | -                    | -                           | -                                     | (54,101,170)                     |
| Moser Baer Investments Limited          | -                      | -                    | -                           | -                                     | -                                |
|   | (645,146,600)          | -                    | -                           | -                                     | (645,146,600)                    |
|   | -                      | <b>365,706,172</b>   | <b>3,323,050,283</b>        | <b>3,649,478,917</b>                  | <b>39,277,538</b>                |
| <b>Total</b>                            | <b>(4,300,554,370)</b> | <b>(712,002,247)</b> | <b>(5,294,107,067)</b>      | <b>(3,306,987,633)</b>                | <b>(6,999,676,052)</b>           |

### 48 Going concern

The Company has incurred a loss of Rs. 11,139,560,016 during the year ended March 31, 2017 (previous period ended March 31, 2016 Rs.7,036,473,934), and as of that date, the Company's accumulated losses amounts to Rs.34,744,579,031 (as on March 31, 2016 Rs. 23,605,019,015) and it has negative net worth of Rs. 29,055,460,826 lakhs (as on March 31, 2016 Rs. 17,252,950,385). Further, as on March 31, 2017, the Company's current liabilities exceeded its current assets by Rs.33,984,160,899 (as on March 31, 2016 Rs. 21,986,021,287).

The Company has outstanding foreign currency convertible bonds (FCCBs) with principal value of USD 88,400,000 equivalent to Rs. 5,732,740,000 (as on March 31, 2016 USD 88,400,000 equivalent to Rs.5,857,384,000) which were due for redemption along with premium on June 21, 2012. As at March 31, 2017, accrual for premium on FCCB aggregates Rs.5,646,800,788. The Company is in the process of negotiation with the bondholders to re-structure the terms of these bonds. This is now subject to the approval of secured lenders, which is expected to be settled only along with the resolution of secured debt. Meanwhile, the Company has applied to the RBI for extension of time.

After the exit of Company from CDR mechanism on October 10, 2016, the Company has continued to operate through TRA with 9% tagging against which it has represented for short term relief. The Company approached the lender consortium with a fresh proposal for resolution of its secured debt in November 2016, which did not find favor of the lender banks. The lender banks have sought to recall the entire outstanding amounts owed to them by the Company. The Company has already challenged the said loan recall and enforcement action in its response to the notices received under section 13(2) of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) and will take further appropriate steps as may be advised by its lawyers.

The Company continues to operate at suboptimal levels due to working capital constraints, resulting in adverse impact on cash flow from operations in the current year. The Company is pursuing resolution of debt with secured lenders and FCCBs holders and is expecting removal/ reduction in tagging by the lender banks. The Company also expects to generate cash flow through sale of surplus assets and improve operational efficiencies through reduction in fixed overheads and employee costs. The Company has also entered into an arrangement with main raw material supplier for extension of credit terms and is also in discussion with customers to provide advance for business.

Conditions explained above, indicate existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern due to which the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. However, on expectation of generation of funds through sale of surplus assets, expected improvement in the operating activities & cash flows, the expectation that lender banks will take remedial action as opposed to recovery action and based upon expert opinion taken from leading law firm about possible legal defense available to the Company, these results have been prepared on a going concern basis.

## MOSER BAER INDIA LIMITED

### Summary of significant accounting policies and other explanatory informations to the standalone financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

**49** The Ministry of New & Renewable Energy ('MNRE) had sanctioned grant-in-aid for implementation of R&D project on "Development of CIGS solar cell pilot plant to achieve grid parity solar cess" vide order no. MNRE/31/10/2009-10/PVSE, dated October 21, 2010 with a project cost of Rs. 156,376,000 of which MNRE share was Rs. 71,050,000 and Company's share was Rs. 85,326,000 for three years. In the year ended March 31, 2011, the Company had received grant of Rs. 35,000,000 for the said project.

Pursuant to the meeting of R&D Project Appraisal Committee (RDPAC) on Solar Photovoltaic and Solar Thermal held on November 16, 2015 and letter No. 15/01/2010-11/ST dated March 28, 2016, the project was considered as commercially unviable and therefore decided to abandon the project and the Company has been requested to shift all MNRE assets acquired out of the grant received to National Institute of Solar Energy (NISE) and unspent money is to be return to the MNRE.

Note 13 on "Fixed Assets" under the sub-head Plant and Equipment includes testing equipments of Rs. 21,139,973 acquired out of the grant received, having carrying value of Rs. 7,474,138 as at March 31, 2017 (previous period Rs. 11,810,351). Out of the total grant received by the Company, balance unspent money of Rs. 13,860,027 has been kept in the form of fixed deposits with one of the nationalised bank and included in cash and bank balances.

Pursuant to the letter received by the Company in respect of demand of unspent money by the MNRE, the grant received has been disclosed in the financial statements as "Deferred Government grant" under sub-head "Other Current Liabilities".

**50** During the previous period, the Company prepared financial statements for 15 months ended March 31, 2016, whereas current financial year consisted of 12 months period. Accordingly, current financial period figures are not comparable with those of the previous year.

**51** Figures of the previous period have been regrouped and rearranged wherever necessary, to make them comparable.

For **Walker Chandio & Co LLP**  
Chartered Accountants

per **Neeraj Goel**  
Partner

Place: New Delhi  
Date: May 23, 2017

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

**Deepak Puri**  
Chairman and Managing Director  
DIN : 00002189

**Yogesh Mathur**  
Chief Financial Officer  
PAN: ACSPM5893M

**Nita Puri**  
Director  
DIN : 00002331

**Neeraj Parmar**  
AVP Legal and Company Secretary  
M.No: F4589

# Independent Auditor's Report

## To the Members of Moser Baer India Limited

### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Moser Baer India Limited, ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, and its associates are responsible for 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. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group and its associates covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 financial controls relevant to the Holding Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in paragraph 13 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on these consolidated financial statements.

### Basis for Qualified Opinion

8. As explained in note 49 of the consolidated financial statements, the Group's short term borrowings and other current liabilities as at March 31, 2017 include amounts payable by Holding Company to various lender banks amounting to Rs. 7,586,441,082 and Rs. 15,700,359,400 respectively and amounts payable by two subsidiary companies, Moser Baer Solar Limited (MBSL) and Helios Photovoltaic Limited (HPVL) aggregating to Rs. 3,241,718,460 and Rs. 22,099,744,050 respectively. The lender banks have exited from Corporate Debt Restructuring Mechanism in respect of Holding Company and those two subsidiary companies. As a result, the accounting for these balances should be as per the original agreements entered with such lenders banks. However, in absence of definitive agreement with the banks with respect to calculation of interest and loan liability and reconciliation of outstanding debt with the lender banks, we are unable to comment upon the possible impact of such exit on the carrying value of aforesaid short term borrowings, other current liabilities of the Group as at March 31, 2017 and interest expense (including penal interest, if any) for the year ended March 31, 2017 and the consequential impact on the accompanying consolidated financial statements. The audit opinions of MBSL and HPVL were issued by us vide our report dated May 23, 2017.
9. As explained in note 15(c) of the consolidated financial statements, Group's has fixed assets aggregating of Rs. 4,170,872,372 in books of Holding Company in respect of which management recorded an impairment loss of Rs. 610,000,000 during the year. Further, as explained in note 15(c) of the consolidated financial statements, two of its subsidiaries MBSL and HPVL have fixed assets aggregating to Rs. 5,369,720,897 in respect of which an impairment of Rs. 2,285,718,955 and Rs. Nil in MBSL and HPVL respectively has been recorded. In the absence of sufficient and appropriate audit evidence in respect of uncertainty underlying the assumptions

used in the long term projections referred in note 15 (c), we are unable to comment on the carrying value of aforesaid fixed assets as at March 31, 2017 and the consequential impact, if any, on the accompanying consolidated financial statements. The audit opinions of MBSL and HPVL were issued by us vide our report dated May 23, 2017.

### Qualified Opinion

10. 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 separate financial statements and on the other financial information of the subsidiaries and associates except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above the aforesaid consolidated 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, of the consolidated state of affairs of the Group and its associates as at March 31, 2017, their consolidated loss and their consolidated cash flows for the year ended on that date.

### Emphasis of Matters

11. We draw attention to note 50 of the consolidated financial statement. The Group has incurred a net loss of Rs. 10,614,266,488 for the year ended March 31, 2017 and, as of that date, the Group's accumulated losses amounted to Rs. 62,648,176,086 resulting in complete erosion of its net worth. Further, as of that date, the Group's current liabilities exceeded its current assets by Rs. 59,958,861,283. These conditions, along with matters set forth in note 50 indicate the existence of uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.
12. We draw attention to note 36(b) to the consolidated financial statement which describes uncertainty related to outcome of arbitration and litigation proceedings against a vendor for recovery of advances aggregating to Rs. 1,738,757,588 (net of provision of Rs. 505,633,969) as at March 31, 2017 in case of subsidiary Company HPVL. Pending the ultimate outcome of the matter, which is presently uncertain, no further adjustment has been recorded in the consolidated financial statements. Our opinion is not modified in respect of this matter.

### Other Matters

13. We did not audit the financial statements of ten subsidiaries, whose financial statements reflect total assets of Rs. 2,307,234,317 [Rs. 211,720,159 net of elimination] and net assets of Rs. 794,872,580 [Rs. (44,913,683) net of elimination] as at March 31, 2017, total revenues of Rs. 772,488,603 [Rs. 772,491,103 net of elimination] and net cash inflows amounting to Rs. 16,478,284 [Rs. 15,349,801 net of elimination] for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. Nil for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.
14. We did not audit the financial statements of nine subsidiaries, included in the consolidated financial statements reflect total assets of Rs. 10,507,957,129 [Rs. 60,370,983 net of elimination] and net assets of Rs. 8,118,033,254 [Rs. (75,899,428) net of elimination] as at March 31, 2017, total revenues of Rs. 153,233,324 [Rs. 153,233,324 net of elimination] and net cash inflows amounting to Rs. 402,672 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs nil for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of three associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the financial statements certified by the management.

### Report on Other Legal and Regulatory Requirements

15. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associates, we report, to the extent applicable, that:
  - a) We have sought and except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the possible effects of the matters described in paragraph 8 and 9 of the Basis for Qualified Opinion paragraph with respect to the financial statements of the Group;
  - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- d) except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e) The matters described in paragraph 8 and 9 under the Basis of Qualified Opinion and paragraph 11 and 12 of the Emphasis of Matters, in our opinion, may have an adverse effect on the functioning of the Group;
- f) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and associate companies covered under the Act, none of the directors of the Group companies and its associate companies covered under the Act, are disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- g) the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in of the Basis for Qualified Opinion paragraph;
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies and associate companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates:
  - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates as detailed in note 35 to the consolidated financial statements.
  - (ii) the Group and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate companies covered under the Act;
  - (iv) These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 by the Holding Company, and its subsidiary companies, and associate companies covered under the Act as disclosed in note 21 to the consolidated financial statements. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the reports of the other auditors on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**per Neeraj Goel**  
Partner  
Membership No.: 099514

Place: New Delhi  
Date: May 23, 2017

## Annexure I

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the Moser Baer India Limited ("the Holding Company"), its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group") and its associate as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies and its associate company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the IFCoFR of the Holding Company, its subsidiary companies and its associate company as aforesaid.

### Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weaknesses has been identified in the operating effectiveness of the Group's IFCoFR as at March 31, 2017:
  - (a) The Holding Company and its two subsidiary companies, Moser Baer Solar Limited (MBSL) and Helios Photovoltaic Limited (HPVL) have been unable to determine the impact of exit from CDR scheme on interest expense and carrying value of short term borrowings and other current liabilities in the absence of definitive agreement with the banks with respect to calculation of interest and loan liability and reconciliation of outstanding debt with lender banks. In the absence of sufficient and appropriate audit evidence, we are unable to comment on the operating effectiveness of controls over the carrying value of short term borrowings, other current liabilities as at March 31, 2017 and interest expense.



- (b) We have not been provided sufficient and appropriate audit evidence with respect to uncertainty underlying the assumptions used in the long term projections for assessing the recoverable value of fixed assets of the Holding Company and its two subsidiary companies, MBSL and HPVL. In the absence of such sufficient and appropriate audit evidence, we are unable to comment on the operating effectiveness of controls over completeness and accuracy of assumptions used in the long term projections and its potential impact on value of fixed assets as March 31, 2017 and depreciation, amortisation and impairment expense for the year.
9. A 'material weakness' is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weaknesses described above in paragraph 8 on the achievement of the objectives of the control criteria, the Group's internal financial controls over financial reporting were operating effectively as at March 31, 2017.
11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended 31 March 2017, and these material weaknesses have affected our opinion on the financial statements of the Company and we have issued a modified opinion on the financial statements.

#### **Other Matters**

12. We did not audit the IFCoFR insofar as it relates to ten subsidiary companies, which are companies incorporated in India, whose financial statements reflect total assets of Rs. 2,307,234,317 [Rs. 211,720,159 net of elimination] and net assets of Rs. 794,872,580 [Rs. (44,913,683) net of elimination] as at March, 31 2017, total revenues of Rs. 772,488,603 [Rs. 772,491,103 net of elimination] and net cash inflows amounting to Rs. 16,478,284 [Rs. 15,349,801 net of elimination] for the year ended on that date, as considered in the consolidated financial statements and one associate company, which is company incorporated in India, in respect of which, the Group's share of net loss of Rs. Nil for the year ended March 31, 2017 has been considered in the consolidated financial statements. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries and associates companies, which are companies incorporated in India, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Neeraj Goel**

Partner

Membership No.:099514

Place: New Delhi

Date: May 23, 2017

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated Financials)**

**I. Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 2017 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

(Rs. in Lakhs)

| Sl. No. | Particulars   | Audited Figures (as reported before adjusting for qualifications) | Adjusted Figures (audited figures after adjusting for qualifications) |
|---------|---|---|---|
| 1       | Turnover / Total Income   | 70,405  | 70,405  |
| 2       | Total Expenditure   | 176,533   | 176,533   |
| 3       | Net Profit / (Loss)   | (106,143)   | (106,143)   |
| 4       | Earnings Per Share  | (47.86)   | (47.86)   |
| 5       | Total Assets  | 171,855   | 171,855   |
| 6       | Total Liabilities   | 658,197   | 658,197   |
| 7       | Net Worth   | (486,342)   | (486,342)   |
| 8       | Any other financial item(s) (As felt appropriate by the management) | -   | -   |

**II. Audit qualification (each audit qualification separately)**

**a. Details of Audit Qualification**

The audit report of Statutory Auditors contains the following qualifications on the consolidated audited financial statement (the "statement"):

- (a) As explained in note 2 and note 8 of the statement, the Group's short term borrowings and other current liabilities as at 31 March 2017 include amounts payable by Holding Company to various lender banks amounting to Rs. 75,864 lakhs and Rs. 1,57,004 lakhs respectively and amounts payable by two subsidiary companies, Moser Baer Solar Limited (MBSL) and Helios Photovoltaic Limited (HPVL) aggregating to Rs. 32,417 lakhs and Rs. 2,20,997 lakhs respectively. The lender banks have exited from Corporate Debt Restructuring Mechanism in respect of Holding Company and those two subsidiary companies. As a result the accounting for these balances should be as per the original agreements entered with such lenders banks. However, in absence of definitive agreement with the banks with respect to calculation of interest and loan liability and reconciliation of outstanding debt with the lender banks, we are unable to comment upon the possible impact of such exit on the carrying value of aforesaid short term borrowings, other current liabilities of the Group as at 31 March 2017 and interest expense (including penal interest, if any) for the year ended 31 March 2017 and the consequential impact on the accompanying statement. The audit opinions of MBSL and HPVL were issued by us vide our report dated 23 May 2017.
- (b) As explained in note 3 of the statement, Group's has fixed assets aggregating to Rs. 41,709 lakhs in books of Holding Company in respect of which management recorded an impairment loss of Rs. 6,100 lakhs during the year. Further, as explained in note 11 of the statement, two of its subsidiaries MBSL and HPVL have fixed assets aggregating to Rs. 53,697 lakhs in respect of which an impairment of Rs. 22,857 lakhs and Rs Nil in MBSL and HPVL respectively has been recorded. In the absence of sufficient and appropriate audit evidence with respect to the uncertainty underlying the assumptions used in the long term projections referred to in note 3 and 11, we are unable to comment on the carrying value of aforesaid fixed assets as at 31 March 2017 and the consequential impact, if any, on the accompanying statement. The audit opinions of MBSL and HPVL were issued by us vide our report dated 23 May 2017.

**b. Type of Audit Qualification : Qualified Opinion**

**c. Frequency of Qualification:**

- (a) has appeared in the current period ended 31 March 2017.

In audit report on the financial statements for the fifteen months period ended 31 March 2016 the auditors had given qualification only for one subsidiary namely Helios Photovoltaic Limited.

- (b) has appeared in the current period ended 31 March 2017.

In audit report on the financial statements for the fifteen months period ended 31 March 2016 the auditors had given qualification only for one subsidiary namely Helios Photovoltaic Limited.

**d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's Views:**

Management's Views: Not applicable

**e. For Audit Qualification(s) where the impact is not quantified by the auditor:**

- (i) Management's estimation on the impact of audit qualification:
  - Unable to estimate.
- (ii) If management is unable to estimate the impact, reasons for the same:
  - a) In absence of definitive agreement with the banks with respect to calculation of interest and loan liability, management is unable to comment upon the impact of such exit on the carrying value of aforesaid short term borrowings, other current liabilities and interest expense for the financial period ended 31 March 2017 and the consequential impact on the accompanying consolidated financial results.
  - b) As of 31 March 2017, management performed detailed assessment of impairment (using an independent valuation expert) of carrying value of fixed assets based on business valuation. Such assessment is based on the ability of the company to continue to operate its business over the foreseeable future and is therefore, impacted by the future outcome of certain matters such as negotiation with lenders banks for debt restructuring and revival of business operations. As per such assessment, Impairment of Fixed assets for Rs. 28,957 lakhs in the carrying value of the fixed assets has been made during the year. No further impairment in the carrying value of fixed assets is required.
- (iii) Auditors' Comments on (i) or (ii) above:

Since management could not ascertain the consequential impact, the auditors have given qualification in their consolidated auditors' report.

**III. Signatories**

- CEO / Managing Director
- CFO
- Audit Committee Chairman
- Statutory Auditor

Place: New Delhi

Date: May 23, 2017

MOSER BAER INDIA LIMITED

Consolidated balance sheet as at March 31, 2017

(All amounts in rupees, unless otherwise stated)

|  | Notes | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------|-------------------------|-------------------------|
| <b>EQUITY AND LIABILITIES</b>  |       |                         |                         |
| <b>Shareholders' funds</b>   |       |                         |                         |
| Share capital  | 5     | 2,217,659,830           | 2,217,659,830           |
| Preference shares issued by subsidiary companies   | 6     | 8,354,338,571           | 8,354,338,571           |
| Reserves and surplus   | 7     | (59,206,189,917)        | (47,928,973,004)        |
|  |       | <b>(48,634,191,516)</b> | <b>(37,356,974,603)</b> |
| <b>Non-current liabilities</b>   |       |                         |                         |
| Long-term borrowings   | 8     | 266,100,000             | 12,676,907,582          |
| Other long-term liabilities  | 9     | 402,017,679             | 499,570,718             |
| Long-term provisions   | 10    | 609,787,106             | 552,341,293             |
|  |       | <b>1,277,904,785</b>    | <b>13,728,819,593</b>   |
| <b>Current liabilities</b>   |       |                         |                         |
| Short-term borrowings  | 11    | 10,905,344,822          | 10,623,046,951          |
| Trade payables   |       |                         |                         |
| - Total outstanding dues of micro enterprises and small enterprises                      | 12    | 25,462,351              | 21,044,483              |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 12    | 2,906,220,924           | 2,448,646,247           |
| Other current liabilities  | 13    | 46,623,839,162          | 30,713,732,531          |
| Short-term provisions  | 14    | 4,080,937,067           | 3,331,036,398           |
|  |       | <b>64,541,804,326</b>   | <b>47,137,506,610</b>   |
|  |       | <b>17,185,517,595</b>   | <b>23,509,351,600</b>   |
| <b>ASSETS</b>  |       |                         |                         |
| <b>Non-current assets</b>  |       |                         |                         |
| Fixed assets   |       |                         |                         |
| Tangible assets  | 15    | 9,592,875,770           | 14,195,006,072          |
| Intangible assets  |       | 688,180,053             | 699,304,014             |
| Capital work-in-progress   |       | 57,929,990              | 57,311,890              |
| Intangible assets under development  |       | 3,065,000               | -                       |
| Non-current investments  | 16    | 7,446,607               | 7,446,607               |
| Long-term loans and advances   | 17    | 2,122,635,361           | 518,983,465             |
| Other non-current assets   | 18    | 130,441,771             | 126,781,721             |
|  |       | <b>12,602,574,552</b>   | <b>15,604,833,769</b>   |
| <b>Current assets</b>  |       |                         |                         |
| Inventories  | 19    | 1,481,792,861           | 2,444,635,908           |
| Trade receivables  | 20    | 2,424,480,393           | 2,406,036,416           |
| Cash and bank balances   | 21    | 285,963,441             | 306,407,886             |
| Short-term loans and advances  | 22    | 345,011,787             | 2,190,910,332           |
| Other current assets   | 23    | 45,694,561              | 556,527,289             |
|  |       | <b>4,582,943,043</b>    | <b>7,904,517,831</b>    |
|  |       | <b>17,185,517,595</b>   | <b>23,509,351,600</b>   |

The accompanying notes from 1 to 54 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 LLP**  
Chartered Accountants

per **Neeraj Goel**  
Partner

Place: New Delhi  
Date: May 23, 2017

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

**Deepak Puri**  
Chairman and Managing Director  
DIN : 00002189

**Neeraj Parmar**  
AVP Legal and Company Secretary  
M.No: F4589

**Nita Puri**  
Director  
DIN : 00002331

**Yogesh Mathur**  
Chief Financial Officer  
PAN: ADDPP2926L

MOSER BAER INDIA LIMITED

Consolidated statement of profit and loss for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

|   |    | Year ended<br>March 31, 2017   | Fifteen months<br>period ended<br>March 31, 2016 |
|---|----|--------------------------------|--|
| <b>REVENUE</b>  |    |                                |  |
| Revenue from operations (gross)   | 24 | 7,327,872,857                  | 9,519,739,603                                    |
| Less: Excise duty   |    | (375,233,482)                  | (541,599,469)                                    |
| Revenue from operations (net)   |    | <b>6,952,639,375</b>           | <b>8,978,140,134</b>                             |
| Other income  | 25 | 87,818,907                     | 374,282,346                                      |
|   |    | <b><u>7,040,458,282</u></b>    | <b><u>9,352,422,480</u></b>                      |
| <b>Expenses</b>   |    |                                |  |
| Cost of materials consumed  | 26 | 3,811,456,615                  | 4,180,469,448                                    |
| Purchases of stock-in-trade   | 27 | 575,240,251                    | 743,540,468                                      |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress           | 28 | 168,197,541                    | 722,758,094                                      |
| Employee benefit expenses   | 29 | 1,539,530,191                  | 2,025,589,934                                    |
| Finance costs   | 30 | 4,653,864,532                  | 5,743,051,000                                    |
| Depreciation, amortisation and impairment   | 31 | 1,691,856,261                  | 2,305,901,128                                    |
| Other expenses  | 32 | 1,643,329,452                  | 2,759,475,688                                    |
|   |    | <b><u>14,083,474,843</u></b>   | <b><u>18,480,785,760</u></b>                     |
| <b>Loss before exceptional items and tax</b>  |    | <b><u>(7,043,016,561)</u></b>  | <b><u>(9,128,363,280)</u></b>                    |
| Exceptional items   | 33 | (3,569,777,477)                | (621,686,147)                                    |
| <b>Loss before tax</b>  |    | <b><u>(10,612,794,038)</u></b> | <b><u>(9,750,049,427)</u></b>                    |
| Tax expense:  |    |                                |  |
| - Current tax   |    | 1,472,450                      | 83,960   |
| <b>Net loss for the year /period</b>  |    | <b><u>(10,614,266,488)</u></b> | <b><u>(9,750,133,387)</u></b>                    |
| <b>Loss per equity share (equity share of par value of Rs. 10 each) (refer note 42)</b> |    |                                |  |
| -Basic  |    | (47.86)                        | (44.49)  |
| -Diluted  |    | (47.86)                        | (44.49)  |

The accompanying notes from 1 to 54 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 LLP**  
Chartered Accountants

per **Neeraj Goel**  
Partner

Place: New Delhi  
Date: May 23, 2017

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

**Deepak Puri**  
Chairman and Managing Director  
DIN : 00002189

**Neeraj Parmar**  
AVP Legal and Company Secretary  
M.No: F4589

**Nita Puri**  
Director  
DIN : 00002331

**Yogesh Mathur**  
Chief Financial Officer  
PAN: ADDPP2926L

MOSER BAER INDIA LIMITED

Consolidated cash flow statement for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

|  | Year ended<br>March 31, 2017 | Fifteen months<br>period ended<br>March 31, 2016 |
|--|------------------------------|--|
| <b>Cash flow from operating activities:</b>                            |                              |  |
| Loss before tax  | (10,612,794,038)             | (9,750,049,427)                                  |
| <b>Adjustments for:</b>  |                              |  |
| Depreciation, amortisation and impairment                              | 4,587,575,219                | 2,305,901,128                                    |
| Interest expense   | 4,653,864,532                | 5,743,051,000                                    |
| Interest income  | (75,580,002)                 | (44,329,639)                                     |
| (Profit) on sale of fixed assets (net)                                 | (4,843,240)                  | -  |
| Provision for doubtful debts/ advances                                 | 109,014,610                  | 441,528,657                                      |
| Old liabilities and provisions no longer required written back         | (123,931,739)                | (91,939,400)                                     |
| Provision for inventory written off                                    | 393,008,539                  | 316,371,294                                      |
| Provision for warranty written back                                    | 9,530,218                    | 3,515,568  |
| Unrealised foreign exchange loss                                       | (94,991,612)                 | (83,406,316)                                     |
| Diminution in value of investment                                      | -                            | 628,344  |
| <b>Operating loss before working capital changes</b>                   | <b>(1,159,147,513)</b>       | <b>(1,158,728,791)</b>                           |
| <b>Adjustments for changes in working capital:</b>                     |                              |  |
| (Increase)/Decrease in trade receivables                               | (233,817,727)                | 228,541,246                                      |
| Decrease in loans and advances and other assets                        | 661,774,465                  | 133,629,959                                      |
| Decrease in inventories  | 569,834,508                  | 883,564,050                                      |
| Increase in trade payable and other liabilities                        | 592,179,083                  | 493,935,042                                      |
| <b>Cash generated from operations</b>                                  | <b>430,822,816</b>           | <b>580,941,506</b>                               |
| Income tax refund/(paid)   | 137,823,130                  | (47,517,370)                                     |
| <b>Net cash generated from operating activities</b>                    | <b>A</b>                     | <b>568,645,946</b>                               |
| <b>Cash flow from investing activities:</b>                            |                              |  |
| (Purchase)/sale of fixed assets/ additions to capital work-in-progress | 6,245,534                    | (163,749,916)                                    |
| Investments in Fixed Deposits  | (177,350,555)                | (220,533,801)                                    |
| Proceeds from fixed deposits   | 220,533,801                  | 331,652,013                                      |
| Interest received  | 41,539,463                   | 37,297,277                                       |
| <b>Net cash used in investing activities</b>                           | <b>B</b>                     | <b>90,968,243</b>                                |

MOSER BAER INDIA LIMITED

Consolidated cash flow statement for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

|   | Year ended<br>March 31, 2017        | Fifteen months<br>period ended<br>March 31, 2016 |
|---|-------------------------------------|--|
| <b>Cash flow from financing activities:</b>                     |                                     |  |
| Proceeds from issue of preference shares by subsidiary          | -                                   | 56,500,000                                       |
| Proceeds from issue of equity shares                            | -                                   | 7,500,000  |
| Proceeds from long term borrowings                              | 92,700,000                          | 110,500,000                                      |
| Repayment in long-term borrowings                               | (406,487,888)                       | (130,229,719)                                    |
| Net movement in short-term borrowings                           | 306,684,056                         | 237,900,392                                      |
| Interest paid   | (628,925,739)                       | (963,912,981)                                    |
| Dividend paid for earlier years                                 | (845,817)                           | (756,254)  |
| <b>Net cash used in financing activities</b>                    | <b>C</b><br><b>(636,875,388)</b>    | <b>(682,498,562)</b>                             |
| <b>Net increase in cash and cash equivalents</b>                | <b>(A+B+C)</b><br><b>22,738,801</b> | <b>(164,408,853)</b>                             |
| Cash and cash equivalents at the beginning of the year /period  | 85,874,085                          | 250,282,938                                      |
| <b>Cash and cash equivalents at the end of the year /period</b> | <b>108,612,886</b>                  | <b>85,874,085</b>                                |
| <b>Components of cash and cash equivalents</b>                  |                                     |  |
| Cash, cheques and drafts in hand                                | 1,209,424                           | 2,731,556  |
| Balance with banks  | 99,478,776                          | 82,782,205                                       |
| Deposits with less than 3 months maturity                       | 7,924,686                           | 360,324  |
|   | <b>108,612,886</b>                  | <b>85,874,085</b>                                |

The accompanying notes from 1 to 54 form an integral part of the consolidated financial statements.  
This is the consolidated cash flow statement referred to in our report of even date.

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

per **Neeraj Goel**  
Partner

Place: New Delhi  
Date: May 23, 2017

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

**Deepak Puri**  
Chairman and Managing Director  
DIN : 00002189

**Neeraj Parmar**  
AVP Legal and Company Secretary  
M.No: F4589

**Nita Puri**  
Director  
DIN : 00002331

**Yogesh Mathur**  
Chief Financial Officer  
PAN: ADDPP2926L

## 1 Basis of preparation of consolidated financial statements

Consolidated Financial Statements (CFS) of Moser Baer India Limited ("the Company or Parent"), its subsidiaries and associates (referred to as "Group") are prepared under historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India including the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the group as per the guidance as set out in Schedule III to the Companies Act, 2013.

## 2 Consolidation procedure

- (a) The CFS are prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" notified under The Companies Act, 2013 ("the Act"). The financial statements of the Parent and its subsidiaries are combined on a line by line basis by adding together sums of like nature, comprising assets, liabilities, income and expenses and after eliminating intra-group balances/ transactions.
- (b) The financial statements of certain foreign subsidiaries and associates, are prepared by them on the basis of generally accepted accounting principles, local laws and regulations as prevalent in their respective countries and such financial statements are considered for consolidation.
- (c) Subsidiaries are consolidated on the date on which effective control is transferred to the group and are no longer consolidated from the date of disposal.
- (d) The financial statements of the subsidiaries have been drawn for the period from April 1, 2016 or date of incorporation/ acquisition, whichever is later, to March 31, 2017.
- (e) The Parent's cost of its investment in its subsidiaries has been eliminated against the Parent's portion of equity of each subsidiary as on the date of investment in that subsidiary. The excess is recognised as 'Goodwill'. Negative goodwill is recognised as 'Capital Reserve'.
- (f) For the purpose of compilation of the CFS the foreign currency assets, liabilities, income and expenditure are translated as per Accounting Standard (AS-11) on "Accounting for the Effects of Changes in Foreign Exchange Rates", notified under the Act. Exchange differences arising are recognised in the Consolidated Statement of Profit and Loss account or in the Foreign Currency Translation Reserve classified under Reserves and Surplus as applicable, under the above mentioned Accounting Standard.
- (g) Investment in associates are accounted for under the Equity Method as per AS-23 "Accounting for Investments in Associates in Consolidated Financial Statements" notified under the Act based on the financial statements of the associates drawn up to the period ended mentioned in note 34 (c). The Group discontinues recognising the share of future losses when the share of losses in associate equals or exceeds the carrying amount of investment.

## 3 Use of estimates

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

## 4 Significant accounting policies

### (a) Revenue Recognition

#### (i) Revenue from sale of goods

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

#### (ii) Revenue from sale of services

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



(a) Revenue from construction contracts

Revenue in respect of construction contracts, which extend beyond an accounting period and where the outcome can be reliably estimated, is recognised on 'Percentage of Completion' method by calculating the portion that costs incurred upto the reporting date bear to the latest estimated total costs of each contract. In other cases, revenue is recognised only to the extent of contract costs incurred of which recovery is probable.

Provision for foreseeable losses on contracts is made, based on the estimates of the management.

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

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

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

(iii) *Other income*

Interest is accounted for based on a time proportion basis taking into account the amount invested and the rate of interest.

Dividend is recognised as and when the right of the Company to receive payment is established as at the balance sheet date.

**(b) Fixed assets**

(i) *Tangible assets*

Tangible 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 which is disclosed under other current assets.

**(c) Depreciation and amortisation**

(i) *Tangible assets*

Depreciation on tangible fixed assets is provided under straight-line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

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.

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<br>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.

(iv) Provision for obsolescence and slow moving inventory is made below cost based on management's best estimates of net realisable value.

**(f) Government grants**

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

**(g) Borrowing costs**

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

**(h) Employee benefits**

(i) *Provident fund and Employees' state insurance*

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

*Contribution to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995, as applicable is recognised as an expense in the period in which the services are rendered by employees of the contributing entities.*

(ii) *Gratuity*

Gratuity is a post employment benefit and is in the nature of defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan

assets, together with adjustments for unrecognised actuarial gains or losses. Gratuity fund is administered through Life Insurance Corporation of India. The defined benefit obligation is calculated at the balance sheet date on the basis of actuarial valuation by an independent actuary using projected unit credit method. Actuarial gain and loss arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the period in which such gain or loss arise.

*(iii) Compensated absences*

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

*(iv) Other benefits*

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

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

**(i) Foreign currency transactions**

*(i) Initial recognition*

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

*(ii) Subsequent recognition*

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

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

*(iii) Exchange differences*

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

Gain/ loss on account of exchange fluctuations arising on long-term foreign currency liabilities in so far as it relates to the acquisition of depreciable capital assets is added to the cost of such assets and in other cases, by transfer to "Foreign Currency Monetary Item Translation Difference Account", to be amortised over the balance period of such long-term foreign currency liabilities or March 31, 2020, whichever is earlier.

*(iv) Foreign operations*

In respect of integral foreign branches, all revenues, expenses, monetary assets/ liabilities and fixed assets are accounted at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities are restated at the period end rates and resultant gains or losses are recognised in the statement of profit and loss and non-monetary items are carried at historical rates. Exchange differences arising in case of integral foreign operations are recognised in the statement of profit and loss and exchange differences arising in case of non integral foreign operations are recognised in the foreign currency translation reserve classified reserves and surplus.

**(j) Taxation**

*(i) Current tax:*

Provision is made for current income tax liability based on the applicable provisions of the Indian Income Tax Act, 1961 for the income chargeable under the aforementioned Income Tax Act and the relevant income tax laws of other countries in which the branch/ other entities of the Group are incorporated.

(ii) *Deferred tax:*

Deferred income taxes reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In respect of carry forward losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such losses can be set off.

Further, deferred tax asset appearing in books is reviewed at each reporting date and is written down to the extent it is not certain that the group 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) 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 records 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. Also Goodwill on consolidation is tested for impairment at every balance sheet date.

**(m) Warranty claims**

The Holding Company is primarily in the business of manufacture and sale of storage media and accrues the warranty provision in respect of products sold by the company.

Further, the solar subsidiaries in the business of manufacturing of crystalline silicon solar photovoltaic modules provides up to 5 year limited warranty that the modules are free from defects in materials and workmanship, a 12 year limited warranty of 90 percent power output and a 25 year limited warranty of 80 percent of power output of its modules.

The Group 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.

**(n) Segment reporting**

**Identification of segments**

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

**Unallocated items**

Unallocated items include general corporate income and expense items which are not allocable to any business segment.

### Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole

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.

### (o) 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.

### (p) Earnings per share

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

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

### (q) Derivative instruments

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

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

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

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

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

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

**5. Share Capital**

| Particulars                             | As at March 31, 2017 |                | As at March 31, 2016 |                |
|---|----------------------|----------------|----------------------|----------------|
|   | Number               | Amount         | Number               | Amount         |
| <b>Authorised</b>                       |                      |                |                      |                |
| Equity shares of Rs. 10 each            | 1,250,000,000        | 12,500,000,000 | 1,250,000,000        | 12,500,000,000 |
| <b>Issued</b>                           |                      |                |                      |                |
| Equity shares of Rs. 10 each            | 221,765,983          | 2,217,659,830  | 221,765,983          | 2,217,659,830  |
| <b>Subscribed and fully paid up</b>     |                      |                |                      |                |
| Equity shares of Rs. 10 each fully paid | 221,765,983          | 2,217,659,830  | 221,765,983          | 2,217,659,830  |

**(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)** The Company has not issued any bonus shares during current period and five immediately preceding current periods.

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

| Particulars   | As at March 31, 2017 |                      | As at March 31, 2016 |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | Number               | Amount               | Number               | Amount               |
| Shares outstanding at the beginning of the year/period  | 221,765,983          | 2,217,659,830        | 208,306,104          | 2,083,061,040        |
| Add: Shares issued during the year/period               | -                    | -                    | 13,459,879           | 134,598,790          |
| <b>Shares outstanding at the end of the year/period</b> | <b>221,765,983</b>   | <b>2,217,659,830</b> | <b>221,765,983</b>   | <b>2,217,659,830</b> |

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

| Name of shareholder                     | As at March 31, 2017 |              | As at March 31, 2016 |              |
|---|----------------------|--------------|----------------------|--------------|
|   | No. of shares held   | % of holding | No. of shares held   | % of holding |
| Deepak Puri and HUF                     | 67,420,141           | 30.40        | 67,420,141           | 30.40        |
| Micro Green Electronics Private Limited | 13,450,000           | 6.06         | 13,450,000           | 6.06         |
| Electra Partners Mauritius Limited      | 9,960,345            | 4.49         | 9,960,345            | 4.49         |

**MOSER BAER INDIA LIMITED**

**Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017**

*(All amounts in rupees, unless otherwise stated)*

**6 Preference shares issued by subsidiary companies:**

| Particulars  | As at March 31, 2017 |                      | As at March 31, 2016 |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Number               | Amount               | Number               | Amount               |
| Fully convertible preference shares of GBP 1 each fully paid up  | 23,784,606           | 1,965,749,931        | 23,784,606           | 1,965,749,931        |
| Non- cumulative, fully convertible Re 1 dividend bearing class A preference shares of Rs.10 each fully paid up | 196,450,000          | 1,964,500,000        | 196,450,000          | 1,964,500,000        |
| Re. 1 dividend bearing non-cumulative redeemable series A preference shares of Rs. 10 each                     | 750,000              | 7,500,000            | 750,000              | 7,500,000            |
| Non- cumulative, fully convertible Re 1 dividend bearing class B preference shares of Rs.10 each fully paid up | 65,000,000           | 650,000,000          | 65,000,000           | 650,000,000          |
| Fully convertible class B preference shares of GBP 1 each fully paid up  | 43,360,485           | 3,575,088,640        | 43,360,485           | 3,575,088,640        |
| Re. 1 dividend bearing non-cumulative redeemable series D preference shares of Rs. 10 each                     | 10,000,000           | 100,000,000          | 10,000,000           | 100,000,000          |
| Re. 1 dividend bearing non-cumulative redeemable series E preference shares of Rs. 10 each                     | 1,950,000            | 19,500,000           | 1,950,000            | 19,500,000           |
| Re. 1 Dividend bearing non cumulative redeemable Series E Preference Shares of Rs.10 each                      | 5,000,000            | 50,000,000           | 5,000,000            | 50,000,000           |
| Re. 1 dividend bearing non-cumulative redeemable series F preference shares of Rs. 10 each                     | 2,200,000            | 22,000,000           | 2,200,000            | 22,000,000           |
| <b>Total</b>   | <b>348,495,091</b>   | <b>8,354,338,571</b> | <b>348,495,091</b>   | <b>8,354,338,571</b> |

**Terms and rights attached to preference shares:**

**Moser Baer Solar Holdings Limited**

- (i) During the year 2007-08, Moser Baer Solar Holdings Limited allotted 23,784,606, fully convertible Class-A preference shares of GBP 1 each to 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.

The above category of preference shares became due for conversion on November 11, 2011 as initial public offer had not been completed by long stop date. The Group is in negotiations with preference shareholders for proposed conversion of such preference shares into equity shares as per the shareholders agreement. Pending finalisation of such revised arrangement between Moser Baer Solar Limited and 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, 2017.

**Moser Baer Solar Limited**

- (i) 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.

## MOSER BAER INDIA LIMITED

### Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

- (ii) During the year 2008-09, MB 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 .

The above category of preference shares became due for conversion on November 11, 2011 as initial public offer had not been completed by long stop date. MB Solar Holdings Limited is in negotiations with preference shareholders for proposed conversion of such preference shares into equity shares as per the shareholders agreement. Pending finalisation of such revised arrangement between Moser Baer Solar Limited and 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, 2017.

- (iii) During the year 2013-14, Moser Baer Solar Limited allotted Re. 1 dividend bearing Class E preference shares of Rs 10 each, which are subject to optional redemption within 20 years from the date of allotment thereof. These shares are held by Mrs Nita Puri (950,000 shares) and Mr. Deepak Puri (1,000,000 shares).
- (iv) During the year 2013-14, Moser Baer Solar Limited allotted Re. 1 dividend bearing Class F preference shares of Rs 10 each, which are subject to optional redemption within 20 years from the date of allotment thereof. These shares are held by Mrs Nita Puri (1,500,000 shares), Mr. Deepak Puri (7,00,000 shares).

#### Helios Photovoltaic Limited

- (i) During the year 2012-13, Helios Photovoltaic Limited allotted 'Series D preference shares of Rs. 10 each, which 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.
- (ii) During the period 2015-16, Helios Photovoltaic Limited issued Series E' preference shares subject to compulsory redemption within 20 years from the date of allotment thereof (June 29,2035 for 5,000,000 shares) at 9% premium compounded quarterly. 5,000,000 (previous period Nil) 'Series E' preference shares held by the Mr. Deepak Puri.

#### Moser Baer Investments Limited

- (i) During the year 2013-14, Moser Baer Investments Limited allotted 100,000 non cumulative, 9% dividend bearing Class A preference shares of Rs 10 each, which are subject to compulsory redemption after 7 years from the date of allotment thereof. These shares are held by Microgreen Electronics Private Limited.
- (ii) During the period 2015-16, Moser Baer Investments Limited allotted 9% dividend bearing 650,000 Series A preference shares of Rs 10 each, which are subject to redemption after 10 years from the date of allotment thereof (August 13, 2015). These shares are held by Microgreen Electronics Private Limited.

## 7 Reserves and surplus

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <b>Capital reserve</b>   | 181,440,000             | 181,440,000             |
| <b>Securities premium account</b>  |                         |                         |
| Opening balance  | 3,952,968,798           | 5,053,472,321           |
| Less: Premium on redemption of foreign currency convertible bonds(FCCB) (refer note 45(b)) | (662,950,425)           | (1,104,431,710)         |
| Add: Addition during the year/period on conversion of FCCB into equity shares              | -                       | 3,928,187               |
| <b>Closing balance</b>   | <b>3,290,018,373</b>    | <b>3,952,968,798</b>    |
| Foreign currency translation reserve   | (29,472,204)            | (29,472,204)            |
| <b>Deficit as per statement of profit and loss</b>   |                         |                         |
| Opening balance  | (52,033,909,598)        | (42,198,662,488)        |
| Add: Net loss for the year /period   | (10,614,266,488)        | (9,750,133,387)         |
| Add: Depreciation adjustment against reserves  | -                       | (85,113,723)            |
| <b>Closing balance</b>   | <b>(62,648,176,086)</b> | <b>(52,033,909,598)</b> |
| <b>Total</b>   | <b>(59,206,189,917)</b> | <b>(47,928,973,004)</b> |



MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**8. Long term borrowings**

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <b>Secured</b>   |                         |                         |
| <b>Rupee loans</b>   |                         |                         |
| <b>- From banks</b>  |                         |                         |
| - Term loans   | 14,384,211,664          | 14,225,021,722          |
| - Working capital term loans                                     | 6,263,777,716           | 6,451,275,215           |
| - Funded interest term loans                                     | 3,282,810,553           | 3,364,991,395           |
| <b>- From others</b>   |                         |                         |
| - Term loans   | 414,833,331             | 626,921,549             |
| - Working capital term loans                                     | -                       | 30,866,000              |
|  | <b>24,345,633,264</b>   | <b>24,699,075,881</b>   |
| Less: Current maturities of long-term borrowings (refer note 13) | 24,345,633,264          | 13,290,980,335          |
|  | -                       | <b>11,408,095,546</b>   |
| <b>Foreign currency loans</b>                                    |                         |                         |
| - From banks   | 445,450,816             | 454,449,129             |
| - From others  | 2,007,640,287           | 2,051,687,246           |
|  | <b>2,453,091,103</b>    | <b>2,506,136,375</b>    |
| Less: Current maturities of long-term borrowings (refer note 13) | 2,453,091,103           | 1,478,224,339           |
|  | -                       | <b>1,027,912,036</b>    |
| <b>Unsecured</b>   |                         |                         |
| - From others  | 333,600,000             | 240,900,000             |
| Less: Current maturities of long-term borrowings (refer note 13) | 67,500,000              | -                       |
|  | <b>266,100,000</b>      | <b>240,900,000</b>      |
| <b>Total</b>   | <b>266,100,000</b>      | <b>12,676,907,582</b>   |

**8 Additional disclosures:**

**Secured borrowings:**

**(i) Nature of security and terms of repayment for secured borrowings as at March 31, 2017 (rupee loans):**

| Particulars      | As at<br>March 31, 2017 | As at<br>March 31, 2016 | Nature of security   | Terms of Repayment  |
|------------------|-------------------------|-------------------------|--|---|
| Rupee term loans | 8,919,444,339           | 8,972,342,615           | (i) First pari passu charge on fixed assets<br>(ii) Second pari passu charge on current assets of the Company<br>(iii) Pledge of 100% shareholding of the promoters of the Company<br>(iv) Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri<br>(v) Negative lien on land of Moser Baer Infrastructure and Developer Limited at Chennai on pari passu basis<br>(vi) Corporate guarantee of Moser Baer Infrastructure and Developers Limited. (subsidiary of the Company that owns the rights to the Chennai land)<br>(vii) Pledge of shares of Moser Baer Infrastructure and Developers Limited | Repayable in 32 quarterly installments after moratorium of 2 years from cut off date i.e. November 30, 2011 commencing from February 2014 |

**MOSER BAER INDIA LIMITED**

**Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017**

*(All amounts in rupees, unless otherwise stated)*

| Particulars                | As at<br>March 31, 2017 | As at<br>March 31, 2016 | Nature of security  | Terms of<br>Repayment  |
|----------------------------|-------------------------|-------------------------|---|--|
| Rupee term loans           | 251,193,000             | 251,193,000             | (i) First pari-passu charge by way of mortgage on the immoveable properties acquired on sublease from MBIL comprising of 19,736 square meters of land at plot 66B, Udyog Vihar, Greater Noida, Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened by anything attached to the earth, both present and future and hypothecation on entire movable fixed assets.   | Repayable in 30 unequal installment from end of moratorium period i.e. March 31, 2014. First installment commenced from June 30, 2014.               |
| Rupee term loans           | 200,000,271             | 200,000,271             | (ii) Personal guarantee of Mr. Deepak Puri<br>(iii) Corporate guarantee of Moser Baer India Limited.<br>(iv) First pari-passu charge by way of equitable mortgage of plot admeasuring 566.05 big has along with superstructure thereon, situated at village Tinwari , District Jodhpur, Rajasthan. (pending receipt of no objection certificate(NOC) from Jodhpur Land Authority)   |  |
| Rupee term loans           | 458,396,000             | 458,396,000             | (i) First pari-passu charge by way of hypothecation of the existing and future current assets of the Company and second pari-passu charge by way of hypothecation on movable fixed assets of the Company.   | Repayable in 30 unequal installment from end of moratorium period i.e. March 31, 2014.   |
| Rupee term loans           | 514,892,000             | 514,892,000             | (ii) Personal guarantee of Mr. Deepak Puri<br>(iii) Corporate guarantee of Moser Baer India Limited.<br>(iv) Second pari-passu charge by way of equitable mortgage of plot admeasuring 566.05 bigha has along with superstructure thereon, situated at village Tinwari, District Jodhpur, Rajasthan.<br>(v) The said loan is additionally secured by assignment of Bank guarantee.  | First installment commenced from June 30, 2014.  |
| Rupee term loans           | 119,400,000             | 119,400,000             | (i) First pari-passu charge by way of hypothecation of the existing and future current assets of the Company and second pari-passu charge by way of hypothecation on movable fixed assets of the Company.   | Repayable in 30 unequal installment from end of moratorium period i.e. March 31, 2014.   |
| Rupee term loans           | 130,000,000             | 130,000,000             | (ii) Personal guarantee of Mr. Deepak Puri<br>(iii) Corporate guarantee of Moser Baer India Limited.<br>(iv) Second pari-passu charge by way of equitable mortgage of plot admeasuring 566.05 big has along with superstructure thereon, situated at village Tinwari , District Jodhpur, Rajasthan (pending receipt of no objection certificate(NOC) from Jodhpur Land Authority).  | First installment commenced from June 30, 2014.  |
| Rupee term loans           | 4,205,719,386           | 4,205,719,386           | (i) First pari-passu charge by way of mortgage on entire fixed assets, immovable properties plot no 66 B Udyog Vihar, Greater Noida comprising of 21,000 sq mtr of land together with building and structures constructed/to be constructed with fixed plant and machinery and hypothecation on movable fixed assets.<br>(ii) Second pari passu charge on entire current assets, both present and future, of the company (subject to no objection certificate (NOC) from Bank of Baroda).<br>(iii) Personal guarantee of Mr. Deepak Puri & Mrs. Nita Puri.<br>(iv) Corporate guarantee of M/s Moser Baer India Ltd. | Repayable in 31 unequal installment from end of moratorium period i.e. March 31, 2014. First installment commenced from June 30, 2014.               |
| Working capital term loans | 3,846,963,476           | 3,846,963,477           | (i) First pari-passu charge by way of hypothecation on entire movable fixed assets of the Company.(pending approval from IFC- Washington) and second pari-passu charge on current assets of the Company<br>(ii) Corporate guarantee of Moser Baer India Limited.<br>(iii) Personal guarantee of Mr. Deepak Puri.<br>(iv) First pari-passu charge by way of equitable mortgage of plot admeasuring 566.05 big has along with superstructure thereon, situated at village Tinwari , District Jodhpur, Rajasthan (pending receipt of no objection certificate(NOC) from Jodhpur Land Authority).                       | Repayable in 30 unequal quarterly installment from the end of moratorium period i.e March 31, 2014. First installment commencing from June 30, 2014. |

**MOSER BAER INDIA LIMITED**
**Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017**
*(All amounts in rupees, unless otherwise stated)*

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 | Nature of security  | Terms of<br>Repayment  |
|--|-------------------------|-------------------------|---|--|
| Funded interest term loans                               | 1,544,409,483           | 1,557,457,184           | (i) First pari-passu charge by way of hypothecation on entire movable fixed assets of the Company.(pending approval from IFC- Washington) and second pari-passu charge on current assets of the Company<br>(ii) Personal guarantee of Mr. Deepak Puri.<br>(iii) First pari-passu charge by way of equitable mortgage of plot admeasuring 566.05 big has along with superstructure thereon, situated at village Tinwari , District Jodhpur, Rajasthan (pending receipt of no objection certificate(NOC) from Jodhpur Land Authority).                    | Repayable in 20 unequal quarterly installment from the end of moratorium period i.e March 31, 2014. First installment commencing from June 30, 2014. |
| Working capital term loans                               | 982,001,990             | 1,200,365,488           | (i) First pari passu charge on fixed assets   | Repayable in 16 quarterly installments after moratorium of 2 years from cut off date i.e. November 30, 2011, commencing from February 2014.          |
| Funded interest term loans                               | 489,822,165             | 558,955,305             | (ii) Second pari passu charge on current assets of the Company<br>(iii) Pledge of 100% shareholding of the promoters of the Company<br>(iv) Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri<br>(v) Negative lien on land of Moser Baer Infrastructure and Developer Limited at Chennai on pari passu basis<br>(vi) Corporate guarantee of Moser Baer Infrastructure and Developers Limited. (subsidiary of the Company that owns the rights to the Chennai land)<br>(vii) Pledge of shares of Moser Baer Infrastructure and Developers Limited | Repayable in 7 quarterly installments commencing from September 30, 2013.  |
| Working capital term loans                               | 1,434,812,250           | 1,434,812,250           | (i) First pari-passu charge by way of hypothecation on movable fixed assets of the company.<br>(ii) Second pari passu charge on entire current assets, both present and future, of the company (subject to no objection certificate (NOC) from Bank of Baroda).<br>(iii) Personal guarantee of Mr. Deepak Puri & Nita Puri.<br>(iv) Corporate Guarantee of M/s Moser Baer India Ltd.  | Repayable in 31 unequal installment from end of moratorium period i.e. March 31, 2014. First installment commenced from June, 2014.                  |
| Funded interest term loans                               | 1,248,578,905           | 1,248,578,905           | (i) First pari-passu charge by way of hypothecation on movable fixed assets of the company.<br>(ii) Second pari passu charge on entire current assets, both present and future, of the company (subject to no objection certificate (NOC) from Bank of Baroda).<br>(iii) Personal guarantee of Mr. Deepak Puri & Nita Puri.   |  |
| <b>Total</b>   | <b>24,345,633,264</b>   | <b>24,699,075,881</b>   |   |  |
| Less: Current portion of long-term debts (refer note 13) | 24,345,633,264          | 13,290,980,335          |   |  |
| <b>Net long-term borrowings</b>                          | <b>-</b>                | <b>11,408,095,546</b>   |   |  |

**MOSER BAER INDIA LIMITED**

**Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017**

*(All amounts in rupees, unless otherwise stated)*

**(ii) Nature of security and terms of repayment for secured borrowings (foreign currency loans):**

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 | Nature of security  | Terms of Repayment   |
|---|-------------------------|-------------------------|---|--|
| Foreign currency term loans                                   | 445,450,816             | 454,449,129             | (i) First pari-passu charge by way of mortgage on the immoveable properties of the company comprising of 21,000 sq mtr of land together with building and structures constructed/to be constructed with fixed plant and machinery and hypothecation on movable fixed assets.<br><br>(ii) Corporate Guarantee of M/s Moser Baer India Ltd.   | Repayable in 31 installment from end of moratorium period i.e. March 31, 2014.   |
| <b>From others</b>  |                         |                         |   |  |
| Foreign currency term loans                                   | 1,134,875,000           | 1,159,550,000           | (i) First pari-passu charge by way of hypothecation on entire movable fixed assets of the Company.(pending approval from IFC- Washington) and second pari-passu charge on current assets of the Company<br><br>(ii) Corporate guarantee of Moser Baer India Limited.<br><br>(iii) First pari-passu charge by way of equitable mortgage of plot admeasuring 566.05 big has along with superstructure thereon, situated at village Tinwari, District Jodhpur, Rajasthan (pending receipt of no objection certificate(NOC) from Jodhpur Land Authority).   | \$1,000,000 each on May 15, 2010, November 15, 2010 and May 15, 2011<br>\$2,500,000 on November15, 2011<br>\$2,500,000 on May 15, 2012<br>\$3,000,000 on November 15, 2012<br>\$4,000,000 on May 15, 2013<br>\$4,000,000 on November 15, 2013<br>\$4,000,000 on May 15, 2014 |
| Foreign currency term loans                                   | 872,765,287             | 892,137,246             | (i) First pari-passu charge by way of mortgage on entire fixed assets, immovable properties plot no 66-B Udyog Vihar, Greater Noida comprising of 21,000 sq mtr of land together with building and structures constructed/to be constructed with fixed plant and machinery and hypothecation on movable fixed assets.<br><br>(ii) (ii) Second pari passu charge on entire current assets, both present and future, of the company (subject to no objection certificate (NOC) from Bank of Baroda).<br><br>(iii) Personal guarantee of Mr. Deepak Puri & Nita Puri.<br><br>(iv) Corporate Guarantee of M/s Moser Baer India Ltd. | Repayable in 31 unequal installment from end of moratorium period i.e. March 31, 2014. First installment commencing from June 30, 2014.  |
| <b>Total</b>  | <b>2,453,091,103</b>    | <b>2,506,136,375</b>    |   |  |
| Less: Current portion of long-term borrowings (refer note 13) | 2,453,091,103           | 1,478,224,339           |   |  |
| <b>Net long-term borrowings</b>                               | <b>-</b>                | <b>1,027,912,036</b>    |   |  |

**(iii)** Interest rate on long-term borrowings varies from 10.25% to 15.25 % p.a. (previous period 10.25% to 15.25 % p.a.)

**(iv) Unsecured Loans**

**Moser Baer India Limited**

As per Master Restructuring Agreement, Company has received Rs. 217,000,000 till March 31, 2017, out of which equity shares are issued of Rs. 134,500,000 and balance amount Rs. 82,500,000 is shown as interest free unsecured loan.

### Moser Baer Solar Limited

- (a) Loan from Microgreen Electronics Private Limited (Formerly known as Cobol Power & Technologies Private Limited) amounting to Rs. 76,900,000 represents amount received under approved CDR scheme towards promoters contribution. The loan is interest free in nature and repayable in full on 31 December 2029.
- (b) Unsecured loans from GMM Barter Private Limited amounting to Rs. 4,000,000 carries an interest rate of 18% (after moratorium period ending 31 March 2017) and is repayable on 30 June 2017.
- (c) Unsecured loan represents amount received from other related parties (Milligreen Power Limited amounting to Rs.10,000,000, Natia Consulatncy Private Limited amounting to Rs.22,000,000 and Mr Deepak Puri amounting to Rs. 1,000,000) under approved CDR scheme towards promoters contribution. These loans are interest free in nature and are repayable on demand, subject to terms of CDR.

### Helios Photovoltaic Limited

- (a) Loan from Microgreen Electronics Private Limited (Formerly known as Cobol Power & Technologies Private Limited) amounting to Rs. 62,500,000 represents amount received under approved CDR scheme towards promoters contribution. The loan is interest free in nature and repayable in full on 31 December 2029.

### Value Solar Energy Private Limited

- (a) Unsecured loan from Microgreen Electronics Private Limited (Formerly known as Cobol Power & Technologies Private Limited) carries an interest rate of 13.5 % and is repayable on 30 June 2017.
- (b) Unsecured loans from GMM Barter Private Limited amounting to Rs. 6,75,00,000 is repayable immediately and so it does not carry any interest rate.
- (v) Consequent to exit from CDR and recall notices served by the lender banks during the year, the Company has classified debt from non-current liabilities to current liabilities and derecognized the amounts recoverable from banks under CDR scheme with corresponding adjustments to the debt and interest expense. In the absence of any definitive agreement and reconciliation of outstanding debt with the banks, the Company has not been able to determine the impact of exit from CDR on the carrying value of debt and interest payable thereon and accordingly continues to record interest on the basis of Master Restructuring Agreement executed with the CDR lenders.

Following is the period and amount of continuing default as on 31 March, 2017 in repayment of loan and interest to banks and financial institutions of Moser Baer India Limited and its subsidiaries namely- Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited) and Moser Baer Solar Limited, as per Schedule III of the Companies Act, 2013:

**The details of continuing defaults of principal and interest in each case as at March 31, 2017 are as follows:**

| Name of Banks / Financial institutions  | Nature of dues | Amount (Rs.)  | Period to which it relates  |
|---|----------------|---------------|-----------------------------|
| Union Bank of India   | Principal      | 851,877,632   | February 2014 - March 2017  |
| Union Bank of India   | Interest       | 335,564,041   | December 2013 - March 2017  |
| Syndicate Bank  | Principal      | 393,409,713   | June 2014 - March 2017      |
| Syndicate Bank  | Interest       | 112,851,642   | August 2014 - March 2017    |
| State Bank of Travancore  | Principal      | 225,600,767   | February 2015 - March 2017  |
| State Bank of Travancore  | Interest       | 17,860,712    | December 2013 - March 2017  |
| State Bank of Patiala   | Principal      | 2,903,829,302 | June 2014 - March 2017      |
| State Bank of Patiala   | Interest       | 906,716,433   | January 2014 - March 2017   |
| UCO Bank  | Principal      | 1,274,299,436 | December 2013 - March 2017  |
| UCO Bank  | Interest       | 342,951,349   | May 2014 - March 2017       |
| State Bank of Bikaner and Jaipur  | Principal      | 1,383,695,282 | June 2014 - March 2017      |
| State Bank of Bikaner and Jaipur  | Interest       | 354,784,781   | June 2014 - March 2017      |
| Bank of Baroda  | Principal      | 1,147,981,537 | December 2013 - March 2017  |
| Bank of Baroda  | Interest       | 422,706,888   | February 2014 - March 2017  |
| State Bank of Hyderabad (assigned in favor of Alchemist asset reconstruction limited) | Principal      | 1,055,581,365 | November 2014 - March 2017  |
| State Bank of Hyderabad (assigned in favor of Alchemist asset reconstruction limited) | Interest       | 254,065,547   | September 2014 - March 2017 |
| State Bank of India   | Principal      | 2,065,916,708 | September 2014 - March 2017 |
| State Bank of India   | Interest       | 599,888,478   | October 2014 - March 2017   |
| Central Bank of India   | Principal      | 3,164,391,003 | August 2014 - March 2017    |
| Central Bank of India   | Interest       | 929,357,818   | March 2014 - March 2017     |
| Punjab National Bank  | Principal      | 2,546,677,365 | September 2014 - March 2017 |
| Punjab National Bank  | Interest       | 724,918,915   | September 2014 - March 2017 |
| Vijaya Bank   | Principal      | 82,505,052    | November 2014 - March 2017  |
| Vijaya Bank   | Interest       | 14,480,617    | August 2015 - March 2017    |
| Exim Bank   | Principal      | 881,944,415   | June 2014 - March 2017      |
| Exim Bank   | Interest       | 292,943,724   | January 2014 - March 2017   |
| Punjab National Bank  | Principal      | 251,193,000   | April 2016-March 2017       |
| Punjab National Bank  | Interest       | 35,426,171    | April 2016-March 2017       |
| Oriental Bank of Commerce   | Principal      | 200,000,271   | July 2014 -March 2017       |
| Oriental Bank of Commerce   | Interest       | 96,480,198    | May 2014-March 2017         |
| UCO Bank  | Principal      | 458,396,000   | October 2014-March 2017     |
| UCO Bank  | Interest       | 173,492,312   | September 2014-March 2017   |
| State Bank of Bikaner and Jaipur  | Principal      | 514,892,000   | July 2015-March 2017        |
| State Bank of Bikaner and Jaipur  | Interest       | 145,465,602   | May 2015-March 2017         |
| Canara Bank   | Principal      | 119,400,000   | October 2014-March 2017     |
| Canara Bank   | Interest       | 32,869,619    | July 2015-March 2017        |
| Union Bank of India   | Principal      | 130,000,000   | July 2014 -March 2017       |
| Union Bank of India   | Interest       | 56,307,439    | May 2014-March 2017         |

| Name of Banks / Financial institutions | Nature of dues | Amount (Rs.)          | Period to which it relates  |
|--|----------------|-----------------------|-----------------------------|
| International Finance Corporation      | Principal      | 1,134,875,000         | May 2012-March 2017         |
| International Finance Corporation      | Interest       | 202,486,252           | May 2012-March 2017         |
| State Bank of Bikaner and Jaipur       | Principal      | 384,691,000           | July 2015 -March 2017       |
| State Bank of Bikaner and Jaipur       | Interest       | 103,157,765           | May 2015 -March 2017        |
| UCO Bank                               | Principal      | 366,871,476           | October 2014 -March 2017    |
| UCO Bank                               | Interest       | 138,459,029           | September 2014 -March 2017  |
| Oriental Bank of Commerce              | Principal      | 3,095,401,000         | July 2014 -March 2017       |
| Oriental Bank of Commerce              | Interest       | 1,349,282,311         | August 2014 -March 2017     |
| UCO Bank                               | Principal      | 141,586,135           | October 2014-March 2017     |
| UCO Bank                               | Interest       | 42,395,468            | September 2014-March 2017   |
| UCO Bank                               | Principal      | 90,418,143            | Oct 2014-March 2017         |
| UCO Bank                               | Interest       | 27,180,564            | Sep 2014-March 2017         |
| Punjab National Bank                   | Principal      | 71,308,508            | April 2016-March 2017       |
| Punjab National Bank                   | Interest       | 10,101,511            | Jan 2016-March 2017         |
| Oriental Bank of Commerce              | Principal      | 63,796,929            | July 2014-March 2017        |
| Oriental Bank of Commerce              | Interest       | 15,198,746            | April 2013-March 2017       |
| Oriental Bank of Commerce              | Principal      | 847,465,528           | July 2014-March 2017        |
| Oriental Bank of Commerce              | Interest       | 225,027,611           | Jan 2014-March 2017         |
| State Bank of Bikaner and Jaipur       | Principal      | 156,768,944           | July 2015-March 2017        |
| State Bank of Bikaner and Jaipur       | Interest       | 35,507,315            | May 2015-March 2017         |
| State Bank of Bikaner and Jaipur       | Principal      | 94,949,047            | July 2015-March 2017        |
| State Bank of Bikaner and Jaipur       | Interest       | 22,260,483            | April 2015-March 2017       |
| Union Bank of India                    | Principal      | 40,413,416            | April 2015-March 2017       |
| Union Bank of India                    | Interest       | 8,933,176             | April 2013-March 2017       |
| Canara Bank of India                   | Principal      | 37,702,833            | October 2014 -March 2017    |
| Canara Bank of India                   | Interest       | 9,697,350             | Dec 2014-March 2017         |
| UCO Bank                               | Interest       | 34,435,640            | April 2014- March 2017      |
| State Bank of Bikaner and Jaipur       | Interest       | 44,080,486            | April 2014- March 2017      |
| State Bank of Bikaner and Jaipur       | Principal      | 192,252,673           | July 2015-March 2017        |
| Oriental Bank of Commerce              | Principal      | 2,055,995,917         | July 2014-March 2017        |
| UCO Bank                               | Principal      | 148,249,978           | Oct 2014-March 2017         |
| EXIM Bank                              | Principal      | 414,833,331           | July 2014- March 2017       |
| EXIM Bank                              | Interest       | 162,700,262           | March 2014- March 2017      |
| Indian Overseas Bank                   | Principal      | 574,732,549           | July 2014- March 2017       |
| Indian Overseas Bank                   | Interest       | 185,983,330           | July 2014- March 2017       |
| State Bank of Patiala                  | Principal      | 1,000,000,000         | July 2014- March 2017       |
| State Bank of Patiala                  | Interest       | 351,109,662           | June 2014- March 2017       |
| Punjab National Bank                   | Principal      | 1,474,226,255         | October 2014- March 2017    |
| Punjab National Bank                   | Interest       | 523,926,848           | August 2014- March 2017     |
| Central Bank of India                  | Principal      | 374,992,000           | Jan 2016- March 2017        |
| Central Bank of India                  | Interest       | 64,239,412            | Nov 2015- March 2017        |
| Union Bank of India                    | Principal      | 367,036,689           | July 2014- March 2017       |
| Union Bank of India                    | Interest       | 142,292,469           | Feb 2014- March 2017        |
| Central Bank of India                  | Principal      | 174,811,000           | Jan 2016- March 2017        |
| Central Bank of India                  | Interest       | 29,435,765            | Nov 2015- Nov 2017          |
| Punjab National Bank                   | Principal      | 374,701,250           | April 2015- March 2017      |
| Punjab National Bank                   | Interest       | 92,738,673            | Feb 2015- March 2017        |
| Indian Overseas Bank                   | Principal      | 601,500,000           | July 2014- March 2017       |
| Indian Overseas Bank                   | Interest       | 132,762,894           | July 2014- March 2017       |
| Sate Bank of India                     | Principal      | 283,800,000           | Oct 2014- March 2017        |
| Sate Bank of India                     | Interest       | 85,968,747            | Oct 2014- March 2017        |
| EXIM BANK                              | Principal      | 178,117,114           | July 2014- March 2017       |
| EXIM BANK                              | Interest       | 56,557,580            | April 2014- March 2017      |
| Sate Bank of Patiala                   | Principal      | 221,025,334           | July 2013- March 2017       |
| Sate Bank of Patiala                   | Interest       | 84,448,095            | July 2014- March 2017       |
| Sate Bank of India                     | Principal      | 55,342,000            | October 2014- March 2017    |
| Sate Bank of India                     | Interest       | 16,344,853            | June 2014 - March 2017      |
| Central Bank of India                  | Principal      | 113,848,297           | Jan 2016 - March 2017       |
| Central Bank of India                  | Interest       | 23,810,168            | July 2015- March 2017       |
| Indian Overseas Bank                   | Principal      | 216,495,123           | July 2014- March 2017       |
| Indian Overseas Bank                   | Interest       | 74,202,200            | April 2014- March 2017      |
| Punjab National Bank                   | Principal      | 385,351,038           | April 2015- March 2017      |
| Punjab National Bank                   | Interest       | 132,616,057           | September 2014 - March 2017 |
| Union Bank of India                    | Principal      | 78,400,000            | July 2014- March 2017       |
| Union Bank of India                    | Interest       | 37,027,163            | July 2013- March 2017       |
| EXIM Bank                              | Principal      | 872,663,848           | July 2014- March 2017       |
| EXIM Bank                              | Interest       | 179,086,822           | Feb 2014- March 2017        |
| Bank of Baroda                         | Principal      | 445,450,816           | July 2014- March 2017       |
| Bank of Baroda                         | Interest       | 130,336,224           | July 2012- March 2017       |
| Punjab National Bank                   | Principal      | 194,659,399           | April 2015- March 2017      |
| Central Bank of India                  | Principal      | 125,124,242           | Jan 2016- March 2017        |
| State Bank of India                    | Principal      | 140,418,199           | October 2014- March 2017    |
| Indian Overseas Bank                   | Principal      | 310,876,846           | July 2014- March 2017       |
| Bank of Baroda                         | Principal      | 74,141,206            | July 2014- March 2017       |
| <b>Total</b>                           |                | <b>48,249,807,129</b> |                             |

MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**9 Other long-term liabilities**

| Particulars                               | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| Trade payables                            | 391,600,000             | 489,500,000             |
| Security deposits                         | 565,000                 | 180,000                 |
| Lease equalisation reserve                | 9,072,488               | 9,110,527               |
| Balance payable to government authorities | 780,191                 | 780,191                 |
| <b>Total</b>                              | <b>402,017,679</b>      | <b>499,570,718</b>      |

**10 Long-term provisions**

| Particulars                                 | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| <b>Provision for employee benefits</b>      |                         |                         |
| - Gratuity (refer note 44)                  | 278,609,991             | 227,609,350             |
| - Compensated absences (refer note 44)*     | 79,334,267              | 79,960,575              |
| - Key resource bonus and deferred salary    | -                       | 559,722                 |
| <b>Others</b>                               |                         |                         |
| - Provision for warranty (refer note below) | 251,842,848             | 244,211,646             |
| <b>Total</b>                                | <b>609,787,106</b>      | <b>552,341,293</b>      |

\* Provision for compensated absences includes provision for casual leave of Rs. 3,120,943 (previous period Rs. 2,625,802) and sick leave of Rs. 2,704,873 (previous period Rs. 3,666,857)

**Note :**

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

| Particulars                                   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| Balance at the beginning of the year /period  | 244,211,646             | 244,419,972             |
| Add: Accruals during the year /period         | 9,508,477               | 14,870,212              |
| Less: Utilised during the year /period        | (1,877,275)             | (15,078,538)            |
| <b>Balance at the end of the year /period</b> | <b>251,842,848</b>      | <b>244,211,646</b>      |

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.

**11 Short-term borrowings**

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| <b>Secured</b>  |                         |                         |
| <b>(a) Short-term loans from banks</b>  | 10,427,591,213          | 10,067,245,131          |
| <b>(b) Short-term loans from others</b>   |                         |                         |
| - 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) | 401,053,609             | 422,245,884             |
| <b>Unsecured</b>  |                         |                         |
| Others  | 76,700,000              | 133,555,936             |
| <b>Total</b>  | <b>10,905,344,822</b>   | <b>10,623,046,951</b>   |

MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**Notes:**

- (a) Interest rate on short term borrowings varies from 10.50% to 17.25% p.a. (previous period 10.75% to 17.25% p.a.).  
 (b) Short term loans outstanding as at March 31,2017 are further secured by as per below :

| Particulars          | As at<br>March 31, 2017 | As at<br>March 31, 2012 | Nature of security  |
|----------------------|-------------------------|-------------------------|---|
| Cash credit facility | 7,586,441,083           | 7,749,338,365           | (i) Pledge of 100% shareholding of the promoters of the Company.<br>(ii) Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri.<br>(iii) Negative lien on land of Moser Baer Infrastructure and Developers Limited at Chennai on pari passu basis.<br>(iv) Corporate guarantee of Moser Baer Infrastructure and Developers Limited (subsidiary of the company that owns the rights to the Chennai land).<br>(v) Pledge of shares of Moser Baer Infrastructure and Developers Limited.  |
| Cash credit facility | 845,705,170             | 604,453,434             | First pari passu charge by way of hypothecation on the present and future current assets of the company and second pari passu charge on the present and future moveable fixed assets. The rupee term loans carry an interest rate ranging from 10.50% p.a.  |
| Cash credit facility | 2,396,498,569           | 2,135,699,216           | First pari-passu charge by way of hypothecation on the entire stocks of inventories, receivables and other chargeable current assets of the Company both present and future.  |
| Others               | 76,700,000              | 133,555,936             | (i) The unsecured loan amounting to Rs 44,700,000 is carrying an interest rate of 18 % and is repayable in ten equal monthly installments from disbursement after a moratorium period of four months. The subsidiary got interest waiver, accordingly the expense has been booked till 31 October 2015. Further, on 03 October 2015, the subsidiary has received notice from the lender to repay the entire amount of loan including interest thereon. As the subsidiary has not paid the loan till date, the same has been shown as default in payment of term loan.<br>(ii) The unsecured loan amounting to Rs 32,000,000 has been received during the year at the rate 14.775% p.a and shall be repayable on demand. |
| <b>Total</b>         | <b>10,905,344,822</b>   | <b>10,623,046,951</b>   |   |

**12 Trade payables**

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <b>Acceptances</b>   | 447,465                 | 124,997,324             |
| <b>Trade creditors</b>   |                         |                         |
| - Total outstanding dues of micro enterprises and small enterprises (refer note 47)      | 25,462,351              | 21,044,483              |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,905,773,459           | 2,323,648,923           |
| <b>Total</b>   | <b>2,931,683,275</b>    | <b>2,469,690,730</b>    |



MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**13 Other current liabilities**

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <b>Deferred government grant (refer note 51)</b>                                 | 35,000,000              | 35,000,000              |
| <b>Current maturities of:</b>  | -                       | -                       |
| - Long-term borrowings (refer note 8)  | 26,866,224,368          | 14,769,204,674          |
| - Foreign currency convertible bonds (refer note 45 (a))                         | 5,732,740,000           | 5,857,384,000           |
| - Premium on redemption of foreign currency convertible bonds (refer note 45(b)) | 2,129,250,712           | 2,175,545,909           |
| Interest accrued but not due on borrowings                                       | 25,346,538              | 17,940,982              |
| Interest accrued and due on borrowings   | 10,793,790,151          | 6,776,256,915           |
| Income received in advance   | 109,255,489             | 87,507,926              |
| Unpaid dividend  | 781,121                 | 1,626,938               |
| Others:  |                         |                         |
| - Creditors for capital goods  | 321,452,104             | 377,986,763             |
| - Employees benefit payable  | 252,002,654             | 208,178,463             |
| - Security deposits received   | 4,423,951               | 6,733,951               |
| - Statutory dues   | 71,826,787              | 83,204,147              |
| - Retention money  | 50,842,140              | 50,842,140              |
| - Deferred payment liabilities   | 152,896,800             | 152,896,800             |
| - Book overdraft   | 4,635,551               | 80,246,388              |
| - Others accrued liabilities   | 73,370,796              | 33,176,535              |
| <b>Total</b>   | <b>46,623,839,162</b>   | <b>30,713,732,531</b>   |

**14 Short-term provisions**

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| <b>Provision for employee benefits</b>  |                         |                         |
| - <b>Gratuity (refer note 44)</b>   | 4,057,799               | -                       |
| - Compensated absences (refer note 44)  | 10,493,488              | 10,841,348              |
| - Key resource bonus and deferred salary (refer note (i) below)                     | 959,718                 | -                       |
| <b>Others</b>   |                         |                         |
| - Provision for taxation  | 509,434                 | 509,434                 |
| - Provision for warranty (refer note (ii) below)                                    | 13,186,869              | 11,287,853              |
| - Provision for other probable obligations (refer note (iii) below)                 | 534,179,683             | 500,093,309             |
| - Provision for redemption of foreign currency convertible bonds (refer note 45(c)) | 3,517,550,076           | 2,808,304,454           |
| <b>Total</b>  | <b>4,080,937,067</b>    | <b>3,331,036,398</b>    |

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

**(i) Provision for key resource bonus and deferred salary**

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| <b>Balance at the beginning of the year /period</b>   | 559,722                 | 2,663,154               |
| Add: Accruals for the year /period                    | 399,996                 | 402,523                 |
| Less: Paid during the year /period                    | -                       | (2,505,955)             |
| <b>Balance at the end of the year /period</b>         | <b>959,718</b>          | <b>559,722</b>          |
| Disclosed under long-term provisions (refer note 10)  | -                       | 559,722                 |
| Disclosed under short-term provisions (refer note 14) | 959,718                 | -                       |
|   | <b>959,718</b>          | <b>559,722</b>          |

MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

(ii) Provision for Warranty

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| <b>Balance at the beginning of the year /period</b> | 11,287,853              | 7,563,959               |
| Add: Accruals for the year /period                  | 1,899,016               | 3,723,894               |
| <b>Balance at the end of the year /period</b>       | <b>13,186,869</b>       | <b>11,287,853</b>       |

Warranty provision relate 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

(iii) Other probable obligations

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| <b>Balance at the beginning of the year /period</b>           | 500,093,309             | 474,662,439             |
| Add: Accruals for the year /period                            | 34,086,374              | 44,288,006              |
| Less: Provisions utilised/written back during the year/period | -                       | (18,857,136)            |
| <b>Balance at the end of the year /period</b>                 | <b>534,179,683</b>      | <b>500,093,309</b>      |

As per notification no. 22/2006 of Central Excise, the Company has to pay additional custom duty on its local sales, if the goods sold are exempted from payment of sales tax or value added tax. One of the units of the Company is exempt from payment of local sales tax and hence the department has disputed the same and demanded the duty on the sale of such goods. The Company has contested this matter and dispute is currently pending at CESTAT and Commissioner of Custom and Central Excise forum and final demand order has not been raised till now. Pending the final outcome of the dispute with authorities, the Company has recorded the provision for the amount demanded by the authorities on prudence basis and is accruing the interest on it on quarterly basis. Due to very nature of such costs, it is not possible to estimate the timing / uncertainties relating to their outflows as well as expenses from such estimates, hence considered as short term in nature.

**MOSER BAER INDIA LIMITED**

**Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017**  
(All amounts in rupees, unless otherwise stated)

**15 Fixed assets**

|   | Gross blocks                |                    |                    | Accumulated depreciation and amortisation           |  |                              |                             |                      | Accumulated impairment   |                           | Net block   |                              |                      |                              |                              |                       |
|---|-----------------------------|--------------------|--------------------|---|--|------------------------------|-----------------------------|----------------------|--------------------------|---------------------------|---|------------------------------|----------------------|------------------------------|------------------------------|-----------------------|
|   | Balance as at April 1, 2016 | Additions          | Deletions          | Transfer to assets held for sale (refer note below) | Adjustments / Transfer (refer notes below) | Balance as at March 31, 2017 | Balance as at April 1, 2016 | Charge for the year  | Adjustment upon reserves | Adjustment upon deletions | Transfer to assets held for sale (refer note below) | Balance as at March 31, 2017 | Change for the year  | Balance as at March 31, 2017 | Balance as at March 31, 2016 |                       |
| <b>Tangible assets</b>  |                             |                    |                    |   |  |                              |                             |                      |                          |                           |   |                              |                      |                              |                              |                       |
| Leasehold land  | 581,797,958                 | -                  | -                  | -   | -  | 581,797,958                  | 63,176,785                  | 6,128,334            | -                        | -                         | -   | -                            | -                    | -                            | 512,492,839                  | 518,621,173           |
| Building  | 4,846,676,994               | -                  | 279,139,825        | -   | -  | 4,567,537,169                | 1,792,974,753               | 144,494,465          | 279,139,824              | -                         | -   | 1,658,329,394                | -                    | 2,909,207,775                | 3,053,702,241                |                       |
| Leasehold improvements  | 15,930,189                  | -                  | -                  | -   | -  | 15,930,189                   | 7,555,363                   | 2,194,449            | -                        | -                         | -   | 1,989,880                    | -                    | 4,190,497                    | 6,384,946                    |                       |
| Plant and equipments  | 55,873,093,126              | 282,567,731        | 48,037,377         | -   | 71,054,599                                 | 56,178,678,079               | 44,126,247,290              | 1,515,104,506        | (279,139,827)            | 52,106,706                | 45,972,598,329                                      | 4,071,633,646                | 2,890,051,991        | 6,134,446,104                | 10,595,264,181               |                       |
| Furniture and fixtures  | 193,130,656                 | -                  | -                  | -   | -  | 193,130,656                  | 175,483,362                 | 11,526,006           | 19,796,776               | -                         | 167,212,592   | 6,207,761                    | 5,098,586            | 19,710,302                   | 16,538,119                   |                       |
| Office equipments   | 116,111,774                 | -                  | -                  | -   | -  | 116,111,774                  | 89,307,003                  | 297,147              | (19,796,776)             | -                         | 109,400,926   | 1,916,958                    | 20,658               | 4,793,890                    | 24,908,471                   |                       |
| Computers   | 247,350,631                 | -                  | -                  | -   | -  | 247,350,631                  | 238,998,965                 | 82,158               | -                        | -                         | 239,821,123   | 760,985                      | 546,507              | 6,768,523                    | 8,137,188                    |                       |
| Vehicles  | 23,165,618                  | -                  | 349,271            | -   | -  | 22,816,347                   | 21,715,865                  | 165,235              | 331,809                  | -                         | 21,549,291  | 1,216                        | -                    | 1,265,840                    | 1,449,753                    |                       |
| <b>Sub total</b>  | <b>61,897,256,946</b>       | <b>282,567,731</b> | <b>327,526,473</b> | <b>-</b>  | <b>71,054,599</b>                          | <b>61,923,352,803</b>        | <b>46,515,453,386</b>       | <b>1,680,732,300</b> | <b>-</b>                 | <b>331,806</b>            | <b>52,106,706</b>                                   | <b>1,186,791,488</b>         | <b>2,895,718,958</b> | <b>4,082,510,446</b>         | <b>9,592,875,770</b>         | <b>14,195,006,072</b> |
| Previous year   | (62,129,949,924)            | (276,030,425)      | (160,993,331)      | (346,830,072)                                       | (-)  | (61,897,256,946)             | (44,647,727,827)            | (2,254,168,302)      | (85,113,723)             | (140,806,230)             | (330,744,236)                                       | (1,186,834,042)              | (-42,554)            | (1,186,791,489)              | (14,195,006,072)             | -                     |
| <b>Intangible assets</b>  |                             |                    |                    |   |  |                              |                             |                      |                          |                           |   |                              |                      |                              |                              |                       |
| Computer software   | 118,562,267                 | -                  | -                  | -   | -  | 118,562,267                  | 116,693,183                 | 660,951              | -                        | -                         | 117,354,174   | 815,949                      | -                    | 815,949                      | 393,184                      | 1,054,135             |
| Copyrights, and patents and other intellectual property rights, services and operating rights | 3,440,826,189               | -                  | -                  | -   | -  | 3,440,826,189                | 3,171,016,754               | 10,463,010           | -                        | -                         | 3,181,479,744                                       | 233,051,602                  | -                    | 233,051,602                  | 26,294,833                   | 36,757,843            |
| Goodwill on consolidation   | 743,169,473                 | -                  | -                  | -   | -  | 743,169,473                  | -                           | -                    | -                        | -                         | -   | 81,677,437                   | -                    | 81,677,437                   | 661,492,036                  | 661,492,036           |
| <b>Sub total</b>  | <b>4,302,558,929</b>        | <b>-</b>           | <b>(-)</b>         | <b>(-)</b>  | <b>(-)</b>                                 | <b>4,302,558,929</b>         | <b>3,287,709,926</b>        | <b>11,123,964</b>    | <b>-</b>                 | <b>-</b>                  | <b>(-)</b>  | <b>3,298,833,888</b>         | <b>-</b>             | <b>3,15,544,988</b>          | <b>688,180,053</b>           | <b>699,304,014</b>    |
| Previous year   | (4,302,558,929)             | (-)                | (-)                | (-)   | (-)  | (4,302,558,929)              | (3,235,934,547)             | (51,775,380)         | (-)                      | (-)                       | (-)   | (3,287,709,927)              | (-)                  | (3,15,544,988)               | (689,304,014)                | (-)                   |

**Notes:**

- Additions to plant and machinery include exchange loss of Rs. 50,794,136 (previous year Rs. 123,539,432).
- During the year ended March 31, 2017, the Company has transferred insurance spares amounting to Rs. 71,054,599 to fixed assets from inventory in compliance with revised accounting Standard 10. Accumulated depreciation on such assets is Rs. 52,106,706 which has been shown as prior period expense.
- As of March 31, 2017, management performed detailed assessment of impairment (using an independent valuation expert) of carrying value of fixed assets of the parent company and its operating subsidiary companies based on business valuations. Such assessment is based on recoverable value of assets determined using value in use method and is therefore dependent upon future outcome of certain matters such as negotiation with lenders banks for debt restructuring, recovery of SIPs, recovery of advance under litigation and revival of business operations. As per such assessment, management believes that no further impairment is required in the carrying value of fixed assets in addition to the impairment of Rs. 610,000,000 in parent company and Rs. 2,285,718,955 in Moser Baer Solar Limited during the year ended March 31, 2017.
- During the period ended March 31, 2016, the Company decided to sell some fixed asset. On the basis of approval by Board of Directors and upon completion of successful bidding process, the asset has been classified as "Non-current asset held for sale" in Balance sheet. The Company has ceased accruing depreciation on these assets from the date of classification as held for sale. Had the company not decided to sell these assets, depreciation for period ended March 31, 2016 would have been higher by Rs. 331,081.

MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**16 Non-current investments**

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <b>Trade investments</b>                                   |                         |                         |
| (a) Investment in equity instruments                       | 575,525,316             | 575,525,316             |
| (b) Investment in preference shares                        | 1,381,978,077           | 1,381,978,077           |
|  | <b>1,957,503,393</b>    | <b>1,957,503,393</b>    |
| Less: Share of loss in associate                           | (98,811,310)            | (98,811,310)            |
| Less: Provision for diminution in the value of investments | (1,851,245,476)         | (1,851,245,476)         |
| <b>Total</b>   | <b>7,446,607</b>        | <b>7,446,607</b>        |

**Details of trade investments (valued at cost)**

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <b>(a) Investment in unquoted equity instruments</b>                     |                         |                         |
| <b>Investment in associates:</b>   |                         |                         |
| Moser Baer Infrastructure Limited  |                         |                         |
| 3,430,000 (previous period 3,430,000) equity shares of Rs. 10 each       | 34,300,000              | 34,300,000              |
| Less: Share of loss in associate   | (6,279,125)             | (6,279,125)             |
| Less: Provision for diminution in the value of investment                | (28,020,875)            | (28,020,875)            |
| Global Data Media FZ-LLC   |                         |                         |
| 7,194 (previous period 7,194) equity shares of AED 1000 each             | 92,532,185              | 92,532,185              |
| Less: Share of loss in associate   | (92,532,185)            | (92,532,185)            |
| Others:  |                         |                         |
| Hindustan Power Projects Private Limited                                 | 5,100,000               | 5,100,000               |
| 510,000 (previous period 510,000) equity shares of Rs. 10 each           |                         |                         |
| Lumen Engineering Private Limited  | 1,020,000               | 1,020,000               |
| 102,000 (previous period 102,000) equity shares of Rs. 10 each           |                         |                         |
| CAPCO Luxemburg S.A.R.L  |                         |                         |
| 1 (previous period 1) equity share of Euro 125 each                      | 4,961                   | 4,961                   |
| Bensimon Limited   |                         |                         |
| 20 (previous period 20) equity shares of Euro 1 each                     | 1,382                   | 1,382                   |
| KMG Digital Limited  |                         |                         |
| 196 (previous period 196) class A ordinary shares of Euro 1 each         | 1,320,264               | 1,320,264               |
| Solaria Corporation  |                         |                         |
| 7,779,117 (previous period 7,779,117) common stock of USD 0.001 each     | 395,247,847             | 395,247,847             |
| Less: Provision for diminution in the value of investment                | (395,247,847)           | (395,247,847)           |
| 815,092 (previous period 815,092) Class B common stock of USD 0.001 each | 45,998,677              | 45,998,677              |
| Less: Provision for diminution in the value of investment                | (45,998,677)            | (45,998,677)            |
| <b>Total (A)</b>   | <b>7,446,607</b>        | <b>7,446,607</b>        |

**MOSER BAER INDIA LIMITED**

**Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017**

*(All amounts in rupees, unless otherwise stated)*

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <b>(b) Investments in unquoted preferred stock</b>   |                         |                         |
| CAPCO Luxemburg S.A.R.L<br>63,366 (previous period 63,366) preferred equity certificates of Euro 125 each        | 320,668,823             | 320,668,823             |
| Less: Provision for diminution in the value of investment  | (320,668,823)           | (320,668,823)           |
| Stion Corporation<br>1,000,000 (previous period 1,000,000) shares of series A preferred stock of USD 0.0001 each | 45,302,150              | 45,302,150              |
| 82,912 (previous period 82,912) shares of series B-2 preferred stock of USD 0.0001 each                          | 7,693,234               | 7,693,234               |
| 82,912 (previous period 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<br>7,000,000 (previous period 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)           | -                       |
| Solfocus Inc<br>4,950,495 (previous period 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)           | -                       |
| Solfocus Inc<br>2,178,649 (previous period 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)           | -                       |
| Skyline Solar Inc.<br>482,250 (previous period 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  | (13,025,522)            | -                       |
| <b>Total (B)</b>   | -                       | -                       |
| <b>Total (A+B)</b>   | <b>7,446,607</b>        | <b>7,446,607</b>        |

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| Aggregate amount of unquoted investment                             | 1,957,503,393           | 1,957,503,393           |
| Aggregate amount of share of loss in associate                      | (98,811,310)            | (98,811,310)            |
| Aggregate amount of provision for diminution in value of investment | (1,851,245,476)         | (1,851,245,476)         |

MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**17 Long-term loans and advances**

| Particulars                             | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| Advance for capital goods               |                         |                         |
| - unsecured considered good             | 28,782,502              | 31,032,703              |
| - unsecured considered doubtful         | 61,124,676              | 61,124,676              |
| Less: Allowance for doubtful advances   | (61,124,676)            | (61,124,676)            |
|   | 28,782,502              | 31,032,703              |
| Advance to suppliers (refer note 36(b)) | 1,738,763,873           | -                       |
| Security deposits                       | 27,611,415              | 41,210,180              |
| Prepaid expenses                        | 781,496                 | 988,763                 |
| Prepaid taxes                           | 115,084,908             | 211,942,858             |
| Loans to others                         | 1,020,618               | 96,199,823              |
| Balance with government authorities     | 210,444,358             | 131,190,676             |
| Others                                  |                         |                         |
| - unsecured considered good             | 146,191                 | 6,418,462               |
| - unsecured considered doubtful         | 8,049,971               | 1,631,509               |
| Less: Allowance for doubtful advances   | (8,049,971)             | (1,631,509)             |
|   | 146,191                 | 6,418,462               |
| <b>Total</b>                            | <b>2,122,635,361</b>    | <b>518,983,465</b>      |

**18 Other non-current assets**

| Particulars                     | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---------------------------------|-------------------------|-------------------------|
| Long-term trade receivables     |                         |                         |
| - Unsecured and considered good | 108,126,725             | 108,826,723             |
| Fixed deposits under lien       | 22,315,046              | 17,954,998              |
| <b>Total</b>                    | <b>130,441,771</b>      | <b>126,781,721</b>      |

**19 Inventories**

| Particulars                  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|------------------------------|-------------------------|-------------------------|
| Raw materials and components | 251,399,662             | 329,947,375             |
| <i>Goods-in transit</i>      | 46,773,155              | 26,595,250              |
|                              | <b>298,172,817</b>      | <b>356,542,625</b>      |
| Work-in-progress             | 216,066,861             | 799,291,655             |
|                              | <b>216,066,861</b>      | <b>799,291,655</b>      |
| Finished goods               | 579,718,951             | 543,641,182             |
|                              | <b>579,718,951</b>      | <b>543,641,182</b>      |
| Stock-in-trade               | 11,339,695              | 20,232,402              |
| <i>Goods-in transit</i>      | 119,537                 | 8,569,653               |
|                              | <b>11,459,232</b>       | <b>28,802,055</b>       |
| <i>Stores and spares</i>     | 332,611,462             | 650,656,797             |
|                              | <b>332,611,462</b>      | <b>650,656,797</b>      |
| <i>Loose tools</i>           | 4,568,647               | 5,051,881               |
|                              | <b>4,568,647</b>        | <b>5,051,881</b>        |
| Packing material             | 31,869,617              | 60,649,713              |
| <i>Goods-in transit</i>      | 7,325,274               | -                       |
|                              | <b>39,194,891</b>       | <b>60,649,713</b>       |
| <b>Total</b>                 | <b>1,481,792,861</b>    | <b>2,444,635,908</b>    |

MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**20 Trade receivables**

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| <b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b> |                         |                         |
| Secured, considered good  | -                       | 23,719,326              |
| Unsecured, considered good  | 2,376,795,649           | 2,072,364,038           |
| Unsecured, considered doubtful  | 680,439,469             | 697,274,464             |
| Less: Provision for doubtful debts  | (680,439,469)           | (697,274,464)           |
|   | <b>2,376,795,649</b>    | <b>2,096,083,364</b>    |
| <b>Other debts</b>  |                         |                         |
| Unsecured, considered good  | 47,684,744              | 309,953,052             |
|   | <b>47,684,744</b>       | <b>309,953,052</b>      |
| <b>Total</b>  | <b>2,424,480,393</b>    | <b>2,406,036,416</b>    |

**21 Cash and bank balances**

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| <b>Cash and cash equivalents</b>                                       |                         |                         |
| Cheques and drafts on hand   | 27,963                  | 2,432                   |
| Cash on hand   | 1,181,461               | 2,729,124               |
| Funds in transit   | 20,590,367              | -                       |
| Bank balances in:  |                         |                         |
| - Current accounts   | 78,888,409              | 82,782,205              |
| Deposits with less than 3 months maturity                              | 7,924,686               | 360,324                 |
|  | <b>108,612,886</b>      | <b>85,874,085</b>       |
| <b>Other bank balances</b>   |                         |                         |
| Unpaid dividend accounts   | 781,121                 | 1,626,938               |
| Bank deposits with more than 3 months but less than 12 months maturity | 26,163,209              | 34,435,470              |
| Margin money   | 150,406,225             | 184,471,393             |
|  | <b>177,350,555</b>      | <b>220,533,801</b>      |
| <b>Total</b>   | <b>285,963,441</b>      | <b>306,407,886</b>      |

**Note:**

In accordance with MCA notification G.S.R. 308 (E) dated March 30, 2017 details of specified bank notes (SBNs) and other denomination notes(ODN) held and transaction during the period from November 8, 2016 to December 30, 2016 is given below:

| Particulars   | SBNs      | Other denomination notes | Total         |
|---|-----------|--------------------------|---------------|
|   | Amount    | Amount                   | Amount        |
| <b>Closing cash balance as at November 8, 2016</b>  | 286,000   | 499,706                  | 785,706       |
| Add: Withdrawal from bank accounts                  | -         | 740,000                  | 740,000       |
| Add: Receipts for permitted transactions            | -         | 40,034                   | 40,034        |
| Less : Paid for permitted transactions              | -         | (1,170,646)              | (1,170,646)   |
| Less : Deposited in bank accounts                   | (286,000) | (18,000)                 | (304,000)     |
| <b>Closing cash balance as at December 30, 2016</b> | -         | <b>91,094</b>            | <b>91,094</b> |

**Note:** The Company does not maintain details of currency denominations in the books of accounts and the detail given above are based on cash count performed on the date above mentioned notification and pay in slips of deposits

MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**22 Short term loans and advances**

| Particulars                               | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| Advances to suppliers                     |                         |                         |
| - Considered good                         | 32,140,506              | 1,868,805,835           |
| - Considered doubtful                     | <b>17,561,676</b>       | <b>17,561,676</b>       |
| Less: Provision for doubtful advances     | <b>(17,561,676)</b>     | <b>(17,561,676)</b>     |
| Security deposits                         | 8,460,075               | 30,698,418              |
| Prepaid expenses                          | 72,514,218              | 79,168,597              |
| Balance with government authorities       | 222,482,626             | 191,992,575             |
| Advances to employees                     | 3,827,029               | 3,794,826               |
| Prepaid taxes                             | 2,573,241               | 3,790,971               |
| Others                                    | 3,014,092               | 12,659,110              |
|   | 345,011,787             | 2,190,910,332           |
| Unsecured, considered doubtful            |                         |                         |
| Other recoverables                        | 546,932,345             | 929,599,692             |
| Less: Provision for doubtful recoverables | (546,932,345)           | (929,599,692)           |
| <b>Total</b>                              | <b>345,011,787</b>      | <b>2,190,910,332</b>    |

**23 Other current assets**

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| Interest accrued on fixed deposits  | 16,777,401              | 23,956,763              |
| Recoverable from banks under corporate debt restructuring scheme (refer note 49 ) | -                       | 493,848,411             |
| Fixed assets classified as held for sale (refer note 15)                          | 10,926,208              | 16,085,836              |
| Others  | 17,990,952              | 22,636,279              |
| <b>Total</b>  | <b>45,694,561</b>       | <b>556,527,289</b>      |

**24 Revenue from operations (Gross)**

| Particulars  | Year ended<br>March 31, 2017 | Fifteen months<br>period ended<br>March 31, 2016 |
|--|------------------------------|--|
| <b>Sale of products (refer note below)</b>                     |                              |  |
| -Finished goods  | 6,904,782,779                | 8,883,718,524                                    |
| -Traded goods  | 14,332,542                   | 150,066,724                                      |
|  | <b>6,919,115,321</b>         | <b>9,033,785,248</b>                             |
| <b>Sale of services</b>  | <b>197,252,614</b>           | <b>290,369,657</b>                               |
| <b>Other operating revenues:</b>                               |                              |  |
| Scrap sales  | 34,643,274                   | 47,278,023                                       |
| Old liabilities and provisions no longer required written back | 123,931,739                  | 91,939,400                                       |
| Export benefits - focused product scheme                       | 45,741,874                   | 42,771,225                                       |
| Others   | 7,188,035                    | 13,596,050                                       |
|  | <b>211,504,922</b>           | <b>195,584,698</b>                               |
| <b>Total</b>   | <b>7,327,872,857</b>         | <b>9,519,739,603</b>                             |



MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

Note:

| Details of Sale        | Year ended<br>March 31, 2017 | Fifteen months<br>period ended<br>March 31, 2016 |
|------------------------|------------------------------|--|
| <b>Finished goods</b>  |                              |  |
| Optical media products | 4,129,977,182                | 6,760,147,540                                    |
| Pen drives and cards   | 1,152,502,350                | 724,460,225                                      |
| Solid State Lighting   | 188,772,044                  | 254,513,470                                      |
| Solar cell             | 511,343,927                  | 553,256  |
| Module                 | 579,460,764                  | 1,097,087,619                                    |
| Thin Film              | 6,325,112                    | 6,957,900  |
| Wafer                  | -                            | 5,551,556  |
| Others                 | 336,401,400                  | 34,446,958                                       |
|                        | <b>6,904,782,779</b>         | <b>8,883,718,524</b>                             |
| <b>Traded goods</b>    |                              |  |
| Optical media products | -                            | 18,200,479                                       |
| Pen drives and cards   | 1,090,052                    | 79,118,403                                       |
| Solid state lighting   | 12,425,702                   | 52,546,133                                       |
| Others                 | 816,788                      | 201,709  |
|                        | 14,332,542                   | 150,066,725                                      |
| <b>Total</b>           | <b>6,919,115,321</b>         | <b>9,033,785,248</b>                             |

25 Other income

| Particulars                                 | Year ended<br>March 31, 2017 | Fifteen months<br>period ended<br>March 31, 2016 |
|---|------------------------------|--|
| <b>Interest income</b>                      |                              |  |
| On deposits with banks                      | 32,380,708                   | 42,085,942                                       |
| Interest on income tax refunds              | 41,219,901                   | -  |
| <b>Others</b>                               | 1,979,393                    | 2,243,697  |
| Other non-operating income                  |                              |  |
| Gain on foreign currency transactions (net) | -                            | 284,709,000                                      |
| Profit on sale of fixed assets (net)        | 4,843,240                    | -  |
| Prior period income (refer note 38)         | -                            | 24,131,861                                       |
| Other miscellenous income                   | 7,395,665                    | 21,111,846                                       |
| <b>Total</b>                                | <b>87,818,907</b>            | <b>374,282,346</b>                               |

26 Cost of materials consumed

| Particulars                               | Year ended<br>March 31, 2017 | Fifteen months<br>period ended<br>March 31, 2016 |
|---|------------------------------|--|
| Raw materials consumed (refer note below) | 3,432,323,791                | 3,662,218,524                                    |
| Packing materials consumed                | 379,132,824                  | 518,250,924                                      |
| <b>Total</b>                              | <b>3,811,456,615</b>         | <b>4,180,469,448</b>                             |

**MOSER BAER INDIA LIMITED**

**Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017**

*(All amounts in rupees, unless otherwise stated)*

**Note:**

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

| Particulars  |                                   | Year ended<br>March 31, 2017 | Fifteen months<br>period ended<br>March 31, 2016 |
|--------------|-----------------------------------|------------------------------|--|
| <b>(i)</b>   | <b>For storage media products</b> |                              |  |
|              | Polycarbonate                     | 1,289,796,213                | 1,970,995,255                                    |
|              | Silver                            | 119,032,407                  | 163,332,727                                      |
|              | Nand                              | 551,367,563                  | 396,406,872                                      |
|              | Others                            | 599,101,186                  | 793,506,185                                      |
| <b>(ii)</b>  | <b>For cells</b>                  |                              |  |
|              | Silicon wafers                    | 426,854,585                  | 72,183,516                                       |
|              | Metallic pastes                   | 73,573,013                   | 23,723,226                                       |
|              | Others                            | 23,276,775                   | 7,838,217  |
| <b>(iii)</b> | <b>For modules</b>                |                              |  |
|              | Multi cells                       | 184,328,405                  | -  |
|              | Back sheet                        | 37,976,805                   | 48,241,117                                       |
|              | Aluminium frames                  | 58,257,813                   | 56,066,458                                       |
|              | Glass                             | 55,091,636                   | 49,405,966                                       |
|              | Others                            | 13,667,390                   | 80,518,985                                       |
| <b>Total</b> |                                   | <b>3,432,323,791</b>         | <b>3,662,218,524</b>                             |

**27 Purchase of stock-in-trade**

| Particulars                         | Year ended<br>March 31, 2017 | Fifteen months<br>period ended<br>March 31, 2016 |
|-------------------------------------|------------------------------|--|
| Purchase of solid state lighting    | 128,058,093                  | 42,589,235                                       |
| Purchase of pen drives and cards    | 106,973,512                  | 63,174,822                                       |
| Purchase of compact disc recordable | 73,209                       | 18,579,864                                       |
| Wafer                               | 61,534                       | 96,429,135                                       |
| Cell                                | 94,123,763                   | -  |
| Balance of systems                  | 48,643,548                   | 48,247,906                                       |
| Modules                             | 33,502,849                   | 218,144,479                                      |
| Others                              | 163,803,743                  | 256,375,027                                      |
| <b>Total</b>                        | <b>575,240,251</b>           | <b>743,540,468</b>                               |

**28 Changes in inventories of finished goods, stock-in-trade and work-in-progress**

| Particulars                           | Year ended<br>March 31, 2017 | Fifteen months<br>period ended<br>March 31, 2016 |
|---------------------------------------|------------------------------|--|
| <b>Closing stock</b>                  |                              |  |
| Finished goods                        | 578,951,736                  | 542,873,630                                      |
| Traded goods                          | 11,459,232                   | 28,802,055                                       |
| Work-in-progress                      | 216,066,861                  | 799,291,655                                      |
|                                       | <b>806,477,829</b>           | <b>1,370,967,340</b>                             |
| <b>Less: Opening stock</b>            |                              |  |
| Finished goods                        | 542,873,630                  | 1,048,968,750                                    |
| Traded goods                          | 28,802,055                   | 10,750,334                                       |
| Work-in-progress                      | 799,291,655                  | 1,349,269,911                                    |
|                                       | <b>1,370,967,340</b>         | <b>2,408,988,995</b>                             |
| Add: Excise duty on finished goods    | 3,283,431                    | 4,270,586  |
| Add: Provision for obsolete inventory | 393,008,539                  | 310,992,975                                      |
| <b>Total</b>                          | <b>168,197,541</b>           | <b>722,758,094</b>                               |

MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**29 Employee benefit expenses**

| Particulars  | Year ended<br>March 31, 2017 | Fifteen Months<br>Period ended<br>March 31, 2016 |
|--|------------------------------|--|
| Salaries, wages and bonus                                      | 1,319,464,129                | 1,749,194,300                                    |
| Employer's contributions to: (refer note 44)                   |                              |  |
| - Provident fund & employees state insurance                   | 72,534,858                   | 88,078,587                                       |
| - Gratuity fund  | 67,664,614                   | 55,704,053                                       |
| Social security and other benefit plans for overseas employees | 1,899,650                    | 5,399,623  |
| Staff welfare  | 77,966,940                   | 127,213,371                                      |
| <b>Total</b>   | <b>1,539,530,191</b>         | <b>2,025,589,934</b>                             |

**30 Finance costs**

| Particulars      | Year ended<br>March 31, 2017 | Fifteen Months<br>Period ended<br>March 31, 2016 |
|------------------|------------------------------|--|
| Interest expense | 4,653,864,532                | 5,743,051,000                                    |
| <b>Total</b>     | <b>4,653,864,532</b>         | <b>5,743,051,000</b>                             |

**31 Depreciation, amortisation and impairment**

| Particulars                       | Year ended<br>March 31, 2017 | Fifteen Months<br>Period ended<br>March 31, 2016 |
|-----------------------------------|------------------------------|--|
| Depreciation on tangible assets   | 1,680,732,297                | 2,254,168,302                                    |
| Amortisation of intangible assets | 11,123,964                   | 51,775,380                                       |
| Impairment of tangible assets     | -                            | (42,554)   |
| <b>Total</b>                      | <b>1,691,856,261</b>         | <b>2,305,901,128</b>                             |

**32 Other expenses**

| Particulars                           | Year ended<br>March 31, 2017 | Fifteen Months<br>Period ended<br>March 31, 2016 |
|---------------------------------------|------------------------------|--|
| Consumption of stores and spare parts | 160,070,467                  | 219,497,158                                      |
| Power and fuel                        | 564,155,145                  | 744,608,768                                      |
| Cost of services                      | 10,093,975                   | 29,183,306                                       |
| Freight and forwarding                | 122,355,937                  | 180,136,393                                      |
| Royalty                               | 37,619,488                   | 219,617,397                                      |
| Commission on sales                   | 2,543,512                    | 3,353,734  |
| Rent                                  | 33,644,946                   | 46,166,900                                       |
| Repair and maintenance                |                              |  |
| - Machinery                           | 3,505,163                    | 8,277,507  |
| - Others                              | 18,835,688                   | 22,460,890                                       |
| Insurance                             | 60,669,757                   | 79,399,696                                       |
| Loss on sale of fixed assets (net)    | -                            | 686,438  |
| Director's sitting fees               | 1,680,400                    | 2,334,000  |
| Rates and taxes                       | 15,913,944                   | 17,651,369                                       |
| Provision for doubtful debtors        | 106,020,964                  | 353,150,022                                      |
| Travelling and conveyance             | 59,271,815                   | 82,265,860                                       |
| Legal and professional                | 86,714,318                   | 174,331,346                                      |
| Warranty expenses                     | 11,407,492                   | 24,240,091                                       |
| Provision for doubtful advances       | 2,983,466                    | 45,273,451                                       |
| Exchange fluctuation (net)            | 48,640,558                   | 161,690,848                                      |
| Bad debts                             | 10,180                       | 5,626,283  |
| Advances written off                  | -                            | 3,150,205  |
| Research and development expenses     | 75,000                       | -  |
| Advertisement and business promotion  | 16,826,229                   | 37,123,824                                       |
| Outsourced staff cost                 | 65,403,299                   | 123,946,114                                      |
| Bank charges                          | 22,011,997                   | 48,479,928                                       |
| Prior period expense (refer note 38)  | 52,106,706                   | -  |
| Others                                | 140,769,005                  | 126,824,160                                      |
| <b>Total</b>                          | <b>1,643,329,452</b>         | <b>2,759,475,688</b>                             |

**MOSER BAER INDIA LIMITED**

**Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017**

*(All amounts in rupees, unless otherwise stated)*

**33 Exceptional items [income/(expense)]**

| <b>Particulars</b>   | <b>Year ended<br/>March 31, 2017</b> | <b>Fifteen months<br/>period ended<br/>March 31, 2016</b> |
|--|--------------------------------------|---|
| Exchange gain/(loss) on foreign currency convertible bonds/ advance recoverable from suppliers | 124,644,000                          | (284,709,000)   |
| Provision for doubtful advances  | -                                    | (34,328,696)  |
| Provision for net realisable value of inventory  | (393,008,539)                        | (310,992,975)   |
| Provision for slow moving inventory of stores & spares and consumables                         | (246,177,602)                        |   |
| Creditors written back   | -                                    | 8,972,868   |
| Provision for impairment of assets   | (2,895,718,958)                      | -   |
| Interest expense for previous year under Corporate Debt Restructuring scheme(refer note 23)    | (159,516,378)                        | -   |
| Provision for diminution in the value of investments   | -                                    | (628,344)   |
| <b>Total</b>   | <b>(3,569,777,477)</b>               | <b>(621,686,147)</b>                                      |

**34 Subsidiaries and Associates:**

The Consolidated Financial Statements comprise the results of the parent, Moser Baer India Limited (MBIL), its subsidiaries and associates.

**(a) Subsidiaries:**

The particulars of subsidiaries considered in the consolidated financial statements are as under:

| <b>Name of the related party</b>  | <b>Country of incorporation</b> | <b>Share Holding</b> |
|---|---------------------------------|----------------------|
| European Optic Media Technology GmbH  | Germany                         | 100%                 |
| Moser Baer Distribution Limited (formerly Moser Baer SEZ Developer Limited)     | India                           | 100%                 |
| Solar Research Limited  | India                           | 100%                 |
| Moser Baer Laboratories Limited   | India                           | 100%                 |
| Moser Baer Entertainment Limited  | India                           | 100%                 |
| Moser Baer Investments Limited  | India                           | 100%                 |
| Photovoltaic Holdings Limited   | Isle of Man                     | 100%                 |
| MB Solar Holdings Limited   | Isle of Man                     | 100%                 |
| Moser Baer Solar Limited  | India                           | 100%                 |
| Helios Photovoltaic Limited (formerly known as Moser Baer Photovoltaic Limited) | India                           | 100%                 |
| Perafly Limited   | Cyprus                          | 100%                 |
| Nicofly Limited   | Cyprus                          | 100%                 |
| Peraround Limited   | Cyprus                          | 100%                 |
| Advoferm Limited  | Cyprus                          | 100%                 |
| Cubic Technologies BV##   | Netherlands                     | 100%                 |
| TIFTON Limited  | Isle of Man                     | 100%                 |
| Value Solar Energy Private Limited  | India                           | 100%                 |
| Pride Solar Systems Private Limited   | India                           | 100%                 |
| Admire Energy Solutions Private Limited   | India                           | 100%                 |
| Moser Baer Solar Systems Private Limited  | India                           | 100%                 |
| Competent Solar Energy Private Limited  | India                           | 100%                 |
| Moser Baer Technologies Inc**   | USA                             | 100%                 |
| Moser Baer Infrastructure and Developers Limited                                | India                           | 100%                 |
| Moser Baer Photovoltaic Inc. USA***   | USA                             | 100%                 |

\*\* Dissolved on April 22, 2015.

\*\*\* Applied for dissolution in US Bankruptcy court

## Dissolved on December 21, 2015.

**MOSER BAER INDIA LIMITED**
**Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017**
*(All amounts in rupees, unless otherwise stated)*
**(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%            |

**(c) Particulars of investment in associates:**

| Particulars        | Moser Baer Infrastructure Limited |                      | Global Data Media FZ LLC |                      |
|--------------------|-----------------------------------|----------------------|--------------------------|----------------------|
|                    | As at March 31, 2017              | As at March 31, 2016 | As at March 31, 2017     | As at March 31, 2016 |
| Cost of investment | 34,300,000                        | 34,300,000           | 92,532,185               | 92,532,185           |

Pursuant to Accounting Standard - 23 on Accounting for Investments in associates notified under The Companies Act, 2013 ("the Act") investment in Moser Baer Infrastructure Limited and Global Data Media FZ LLC has been reported at Rs. Nil (previous period Nil) as the share of losses of the associate exceeds the carrying amount of investments as at the balance sheet date.

**35 Contingent liabilities :**

| (a) Particulars          | As at March 31, 2017 | As at March 31, 2016 |
|--------------------------|----------------------|----------------------|
| Bank guarantees issued*: | 37,797,267           | 40,766,122           |

\*The amount shown above represent guarantees given in the normal course of the Group's operations and are not expected to result in any loss to the Group on the basis of the beneficiary fulfilling its ordinary commercial obligations.

| (b) Disputed demands (gross) in respect of:  | As at March 31, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| <b>Entry tax</b><br>[Amount paid under protest Rs. 10,382,071 (previous period Rs. 10,382,071) and bank guarantees furnished Rs. 10,919,501 (previous period Rs. 10,919,501)]            | 132,494,386          | 131,324,280          |
| <b>Service tax</b><br>[Amount paid under protest Rs.2,953,470 (previous period Rs. 2,953,470)]   | 28,973,297           | 627,051,199          |
| <b>Sales tax</b><br>[Amount paid under protest Rs. 28,314,532 (previous period Rs. 26,742,079) and bank and other guarantees furnished Rs. 24,507,874 (previous period Rs. 100,989,626)] | 104,802,484          | 149,710,978          |
| <b>Excise duty</b><br>[Amount paid under protest Rs. 482,587 (previous period Rs.982,527)]   | 403,828,993          | 585,633,503          |
| <b>Custom duty</b><br>[Amount paid under protest Rs. 4,823,292 (previous period Rs.4,823,292)]   | 28,498,050           | 28,498,050           |
| <b>Income tax</b><br>[Amount paid under protest Rs. 121,478,650 (previous period Rs. 36,279,670)]  | 215,297,686          | 1,075,910,969        |
|  | <b>913,894,896</b>   | <b>2,598,128,979</b> |

The Group is involved in taxation disputes that arise from time to time in the ordinary course of business. Management is of the view that above claims are not tenable and will not have any material adverse effect on the Company's financial position and results of operations.

(c) Other claims against the group not acknowledged as debt Rs. 345,900 (previous period Rs. 345,900)

(d) Outstanding letter of credit opened by banks on behalf of the Group Rs. Nil (previous period Rs. 29,390,649).

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.

**MOSER BAER INDIA LIMITED****Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017***(All amounts in rupees, unless otherwise stated)*

- (e) Bonus payable for the period of April 1, 2014 to March 31, 2015 pursuant to retrospective amendment in Bonus Act: Rs. 5,465,257 (previous year Rs. 5,465,257). Since, the matter is subjudice and various high courts have given stay order against retrospective amendment, it has been considered as contingency liability.
- (e) Recompense amount payable in lieu of bank sacrifice (mandatory disclosure as per RBI): Rs. Nil (previous period Rs.3,410,126,501).
- (f) In respect of the outstanding foreign currency convertible bonds (FCCBs), bondholders have claimed interest for the period beyond the original date of redemption. As explained in more detail in Note 45 (a), the Company is in the process of negotiating restructuring of these bonds. Management expects to restructure these bonds by extension of the redemption date as prescribed by the Reserve Bank of India. Contingent liability in respect thereof can't be estimated reliably.

**36 Capital and other commitments:**

- (a) Estimated value of contracts remaining to be executed on capital and other accounts and not provided for (net of advances Rs. 33,083,244): Rs.186,050,556 (previous period Rs. 198,421,773).
- (b) One of the subsidiary company entered into a long term Wafer Supply Agreement on April 01, 2008 (WSA) with Jiangxi LDK Solar Hi-Tech Co [LDK] and in pursuance, the subsidiary paid an advance of USD 48,894,816 Million in accordance with the terms of the WSA (Advance Payment). LDK issued Bank Guarantee dated May 07, 2008 of China Merchant Bank (CMB) as security for advance paid by subsidiary. The Agreement was further amended by an Amendment Agreement dated January 10, 2011 (AA).

As per the terms of AA, remaining advance of USD 34,614,305 (out of USD 48,894,816), which was secured through a bank guarantee, was to be adjusted against future purchases by the subsidiary at an agreed market driven price and the balance unadjusted amount, if any, was to be refunded back to the subsidiary after five years from the date of such agreement subject to a deduction of 5% of purchase shortfall under the AA. Under AA, LDK was to provide an amended bank guarantee which was not provided, causing therefore, a breach of such terms and further sought to cancel the bank guarantee which it furnished in 2008. Upon breaches by LDK, the WSA (as amended by AA) was terminated by the subsidiary pursuant to its letter dated September 26, 2013.

As a result of the termination, LDK was asked to refund the balance of the advance payment i.e. USD 34,614,305 which was later revised to USD 33,232,002. As LDK failed to refund the Advance Payment, Subsidiary made a demand under the bank guarantee provided by CMB on October 22, 2013. However, LDK obtained a freezing order before the Xinyu Intermediate People's Court on November 6, 2013, which prevented CMB from making payment under the Bank Guarantee.

Aggrieved by such order, the Subsidiary initiated arbitration before Hong kong International Arbitration Centre (HKIAC) and also filed jurisdiction objection Application before Xin Yu Court. Upon rejection of Subsidiary's application, an appeal was filed against the Xin Yu Court's decision and Appeal was also rejected by Jiangxi Higher Court. A three member Arbitration Tribunal was constituted and the final hearing happened at HKIAC from January 18, 2016 to January 22, 2016.

Final arbitration award is awaited after receipt of which further action to be initiated in China for recovery of advance from CMB/ LDK considering that LDK is under Insolvency Administration.

Based on the legal appraisal and in anticipation of favorable final arbitration reward, management believes that the bank guarantee demand as above is still recoverable. The books of accounts show a net balance of Rs 1,738,763,873 as on March 31, 2017 against which no further provision is being recorded.

**37 Lease obligations**

The Group has entered into operating leases for its offices 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.33,644,946 (previous period Rs 46,166,900).

**38 Prior period income/(expense)**

| Particulars  | Year ended<br>March 31, 2017 | Fifteen months<br>period ended<br>March 31, 2016 |
|--|------------------------------|--|
| <b>Other Expenses</b>                                |                              |  |
| Depreciation on plant & machinery (insurance spares) | 52,106,706                   | -  |
|  | <b>52,106,706</b>            | -  |
| <b>Other Income:</b>                                 |                              |  |
| Interest income on income tax refund                 | 11,129,243                   | -  |
| ECGC Refund  | -                            | 23,953,927                                       |
| Miscellaneous income                                 | -                            | 177,934  |
|  | <b>11,129,243</b>            | <b>24,131,861</b>                                |

MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

**39 Taxation**

Provision for taxation has not been made in the absence of assessable taxable profits as per the Income Tax Act, 1961 as on March 31, 2017.

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

| Particulars of timing differences           | Period ended<br>March 31, 2016 | Movement<br>during the year | Year ended<br>March 31, 2017 |
|---|--------------------------------|-----------------------------|------------------------------|
| <b>Deferred tax liability</b>               |                                |                             |                              |
| Depreciation                                | (103,521,196)                  | (283,796,237)               | (387,317,435)                |
| Provision for lease rent equalisation       | -                              | -                           | -                            |
| <b>Total</b>                                | <b>(103,521,196)</b>           | <b>(283,796,237)</b>        | <b>(387,317,435)</b>         |
| <b>Deferred tax assets</b>                  |                                |                             |                              |
| Finance lease                               | (8,198,014)                    | 5,717,085                   | (2,480,929)                  |
| Unabsorbed depreciation                     | (95,323,182)                   | (289,513,323)               | (384,836,505)                |
| Provision for unavailed leaves and gratuity | -                              | -                           | -                            |
| <b>Total</b>                                | <b>(103,521,196)</b>           | <b>(283,796,237)</b>        | <b>(387,317,434)</b>         |
| <b>Net deferred tax liability /(Assets)</b> | -                              | -                           | -                            |
| previous period                             | -                              | -                           | -                            |

**Notes:**

- 1) The tax impact for the above purpose has been arrived at by applying a tax rate of 33.99% (previous period 33.99%) being the prevailing tax rate for Indian Companies under the Income Tax Act, 1961
- 2) Deferred tax asset has been recognised only to the extent of deferred tax liability.

**40 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) There is no forward exchange contracts outstanding as at March 31, 2017.

(b) The foreign currency exposures not hedged as at year ended March 31, 2017 are as under:

**(i) Receivables**

| Type of currency | As at March 31, 2017 |               | As at March 31, 2016 |               |
|------------------|----------------------|---------------|----------------------|---------------|
|                  | Foreign<br>currency  | Rs. Value     | Foreign<br>currency  | Rs. Value     |
| USD              | 91,946,469           | 5,225,659,720 | 91,403,190           | 5,201,195,859 |
| EUR              | 3,329,809            | 230,689,155   | 15,064,848           | 838,457,841   |
| GBP              | 781                  | 63,572        | 8,136                | 772,471       |
| JPY              | 23,346,010           | 13,219,030    | 95,392,995           | 51,767,110    |
| SGD              | 465                  | 21,736        | 465                  | 22,826        |
| CHF              | 13,726               | 850,236       | 12,826               | 839,363       |
| HKD              | 1,359,783            | 11,357,780    | 4,740                | 40,491        |
| AED              | 900                  | 15,907        | 900                  | 16,238        |
| NRK              | 5,647                | 42,975        | 5,647                | 51,277        |
| CNY              | -                    | -             | 4,079                | 31,643        |
| AUD              | 65                   | 3,187         | 65                   | 3,296         |

**MOSER BAER INDIA LIMITED**

**Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017**

*(All amounts in rupees, unless otherwise stated)*

**(ii) Payables**

| Type of currency | As at March 31, 2017 |                | As at March 31, 2016 |                |
|------------------|----------------------|----------------|----------------------|----------------|
|                  | Foreign currency     | Rs. Value      | Foreign currency     | Rs. Value      |
| USD              | 218,857,958          | 14,390,280,215 | 223,760,355          | 14,659,343,562 |
| EUR              | 14,330,871           | 1,155,971,987  | 18,736,842           | 1,265,881,653  |
| GBP              | 21,601               | 1,735,953      | 39,525               | 3,660,500      |
| CHF              | 131,014              | 8,468,721      | 144,881              | 9,718,417      |
| JPY              | 41,742,509           | 24,323,360     | 60,090,926           | 34,684,664     |
| SGD              | 155,799              | 7,300,988      | 170,748              | 8,393,971      |
| HKD              | 20,958               | 175,056        | 18,828               | 160,839        |
| CNY              | 40,660               | 368,164        | 128,642              | 1,299,470      |
| NOK              | 23,234               | 176,822        | 23,234               | 179,831        |

(Above amount are gross receivables and payables, and does not include provisions created against receivables.)

**41 Related party transactions:**

As required by Accounting Standard 18 - 'Related Party Disclosures' and notified under The Companies Act, 2013 ("the Act") since the Consolidated financial statements presents information about the Parent and its subsidiary as a single reporting enterprise, it is not necessary to disclose intra-group transactions.

In accordance with the requirements of Accounting Standard-18 'Related Party Disclosures' the names of the related party where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and year end balances with them as identified and certified by the management are given below:

**(a) Name of the related parties**

| Name of the company               | Nature of relationship |
|-----------------------------------|------------------------|
| Global Data Media FZ LLC          | Associate              |
| Moser Baer Infrastructure Limited | Associate              |
| Solar Value Proizvodjna d.d.      | Associate              |
| Moser Baer Trust                  | Trust                  |

**Enterprises over which key management personnel exercise significant influence:**

|  |
|--|
| - Microgreen Electronics Private Limited |
| - Milgreen Power Limited                 |
| - Natia Consultancy                      |

**Key management personnel**

|                                |                 |
|--------------------------------|-----------------|
| Chairman and Managing Director | Mr. Deepak Puri |
| Whole Time Director            | Mrs. Nita 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, 2017

(All amounts in rupees, unless otherwise stated)

(b) Details of transactions with the related parties along with year /period end balances in the ordinary course of business:

| Transaction during the period  | For the year ended<br>March 31, 2017 | Fifteen months<br>period ended<br>March 31, 2016 |
|--|--------------------------------------|--|
| <b>Loans received</b>  |                                      |  |
| -Microgreen Electronics Private Limited                                | 50,000,000                           | 62,700,000                                       |
| -Natia Consultancy Private Limited                                     | -                                    | 74,500,000                                       |
| -Mr. Deepak Puri   | -                                    | 51,000,000                                       |
| <b>Loans repaid</b>  |                                      |  |
| -Microgreen Electronics Private Limited                                | -                                    | 27,000,000                                       |
| <b>Interest provided on loan taken</b>                                 |                                      |  |
| -Microgreen Electronics Private Limited                                | 1,383,650                            | 1,208,024  |
| <b>Issue of Equity shares</b>  |                                      |  |
| -Microgreen Electronics Private Limited                                | -                                    | 134,500,000                                      |
| <b>Issue of preference shares by subsidiary</b>                        |                                      |  |
| -Mr. Deepak Puri   | -                                    | 50,000,000                                       |
| -Microgreen Electronics Private Limited                                | -                                    | 6,500,000  |
| <b>Remuneration</b>  |                                      |  |
| - Mr. Deepak puri  | 13,422,602                           | 16,742,004                                       |
| - Mrs. Nita puri   | 4,250,006                            | 5,276,252  |
| <b>Balance at the end of period</b>                                    | <b>As at<br/>March 31, 2017</b>      | <b>As at<br/>March 31, 2016</b>                  |
| <b>Outstanding receivable</b>  |                                      |  |
| -In respect of sales   |                                      |  |
| -Microgreen Electronics Private Limited                                | 70,900,000                           | 70,900,000                                       |
| <b>Outstanding payables</b>  |                                      |  |
| <b>In respect of loans</b>   |                                      |  |
| -Microgreen Electronics Private Limited                                | 208,600,000                          | 158,600,000                                      |
| -Natia Consultancy Private Limited                                     | 74,500,000                           | 74,500,000                                       |
| -Millgreen Power Limited   | 10,000,000                           | 10,000,000                                       |
| -Mr. Deepak Puri   | 1,000,000                            | 51,000,000                                       |
| <b>In respect of interest on loan/advance payable to related party</b> |                                      |  |
| -Microgreen Electronics Private Limited                                | 2,470,872                            | 1,087,222  |
| <b>In respect of KMPs' remuneration</b>                                |                                      |  |
| - Mr. Deepak puri  | 6,242,895                            | 1,132,917  |
| - Mrs. Nita puri   | 755,864                              | 450,432  |

**42 Loss per share**

| Particulars |   | As at March 31, 2017 | As at March 31, 2016 |
|-------------|---|----------------------|----------------------|
| (a)         | Calculation of weighted average number of equity shares                                     |                      |                      |
|             | 1. For Basic EPS  |                      |                      |
|             | No. of Shares at the beginning of the year /period  | 221,765,983          | 208,306,104          |
|             | Total number of equity shares outstanding at the end of the year/period                     | 221,765,983          | 221,765,983          |
|             | Weighted average number of equity shares for basic and diluted earning per share            | 221,765,983          | 219,137,992          |
|             | For Diluted EPS   |                      |                      |
|             | Weighted Average number of equity shares outstanding during the year/period for diluted EPS | 221,765,983          | 219,137,992          |
| (b)         | Net Loss for the year/period available for equity shareholders                              | (10,614,266,488)     | (9,750,133,387)      |
|             | <b>Loss per share (face value per share Rs. 10 each)</b>                                    |                      |                      |
|             | <b>Basic</b>  | <b>(47.86)</b>       | <b>(44.49)</b>       |
|             | <b>Diluted</b>  | <b>(47.86)</b>       | <b>(44.49)</b>       |

**43 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) and 'Solar products' (photovoltaic cells, modules and thin films). Other activities of the Group not falling into these two segments are presented on an aggregate basis under '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

MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

are separately disclosed as 'unallocated'.

**(a) Information about primary business segments**

- Financial information about business segments for the year ended March 31, 2017 is as follows:

| Particulars  | Storage media products | Solar products         | Other operations     | Inter segment eliminations | Total                   |
|--|------------------------|------------------------|----------------------|----------------------------|-------------------------|
| <b>Revenue:</b>  |                        |                        |                      |                            |                         |
| External   | 5,480,437,980          | 1,411,358,628          | 60,842,767           | -                          | 6,952,639,375           |
| Inter-segment  | 918,106,431            | 374,363,099            | 927,243,515          | (2,219,713,045)            | -                       |
| <b>Total revenue</b>                                   | <b>6,398,544,411</b>   | <b>1,785,721,727</b>   | <b>988,086,282</b>   | <b>(2,219,713,045)</b>     | <b>6,952,639,375</b>    |
| <b>Result:</b>   |                        |                        |                      |                            |                         |
| <b>Segment results</b>                                 | <b>(920,916,189)</b>   | <b>(1,199,339,973)</b> | <b>(344,475,868)</b> | <b>-</b>                   | <b>(2,464,732,030)</b>  |
| Interest expense (net of interest income)              |                        |                        |                      |                            | 4,578,284,531           |
| Unallocated corporate expenses (net of other income)   |                        |                        |                      |                            | -                       |
| <b>Loss before tax and exceptional items</b>           |                        |                        |                      |                            | (7,043,016,561)         |
| Exceptional items                                      |                        |                        |                      |                            | (3,569,777,477)         |
| <b>Loss before tax</b>                                 |                        |                        |                      |                            | <b>(10,612,794,038)</b> |
| Provision for taxation                                 |                        |                        |                      |                            | 1,472,450               |
| <b>Loss after tax</b>                                  |                        |                        |                      |                            | <b>(10,614,266,488)</b> |
| <b>Loss for the year</b>                               |                        |                        |                      |                            | <b>(10,614,266,488)</b> |
| <b>Other information:</b>                              |                        |                        |                      |                            |                         |
| Segment assets   | 7,293,175,518          | 13,277,585,085         | 8,779,237,776        | (13,159,953,072)           | 16,190,045,307          |
| Unallocated corporate assets                           |                        |                        |                      |                            | 995,472,288             |
| <b>Total assets</b>                                    |                        |                        |                      |                            | <b>17,185,517,595</b>   |
| Segment liabilities                                    | 4,268,704,063          | 6,567,332,132          | 8,103,473,662        | (13,357,437,968)           | 5,582,071,889           |
| Unallocated corporate liabilities                      |                        |                        |                      |                            | 60,237,637,222          |
| <b>Total liabilities</b>                               |                        |                        |                      |                            | <b>65,819,709,112</b>   |
| Capital expenditure                                    | 74,720,086             | (48,037,377)           | 255,885,023          | -                          | 282,567,731             |
| Unallocated capital expenditure                        |                        |                        |                      |                            | -                       |
| <b>Total capital expenditure</b>                       |                        |                        |                      |                            | <b>282,567,731</b>      |
| Depreciation, amortisation and impairment              | 552,344,349            | 1,132,833,227          | 71,701,745           | (65,488,191)               | 1,691,391,130           |
| Unallocated depreciation, amortisation and impairment  |                        |                        |                      |                            | 465,131                 |
| <b>Total depreciation, amortisation and impairment</b> |                        |                        |                      |                            | <b>1,691,856,261</b>    |

MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

- Financial information about business segments for the period ended March 31, 2016 is as follows:

| Particulars  | Storage media products | Solar products         | Other operations     | Inter segment eliminations | Total                  |
|--|------------------------|------------------------|----------------------|----------------------------|------------------------|
| <b>Revenue:</b>  |                        |                        |                      |                            |                        |
| External   | 6,956,331,538          | 1,579,109,472          | 442,699,124          | -                          | 8,978,140,134          |
| Inter-segment  | 1,001,238,580          | 524,010,074            | 1,142,836,181        | (2,668,084,835)            | -                      |
| <b>Total revenue</b>                                   | <b>7,957,570,118</b>   | <b>2,103,119,546</b>   | <b>1,585,535,305</b> | <b>(2,668,084,835)</b>     | <b>8,978,140,134</b>   |
| <b>Result:</b>   |                        |                        |                      |                            |                        |
| <b>Segment results</b>                                 | <b>(1,758,345,431)</b> | <b>(1,458,928,115)</b> | <b>(236,500,234)</b> | <b>-</b>                   | <b>(3,453,773,780)</b> |
| Interest expense (net of interest income)              |                        |                        |                      |                            | 5,698,721,361          |
| Unallocated corporate expenses (net of other income)   |                        |                        |                      |                            | (24,131,861)           |
| <b>Loss before tax and exceptional items</b>           |                        |                        |                      |                            | <b>(9,128,363,280)</b> |
| Exceptional items                                      |                        |                        |                      |                            | (621,686,147)          |
| <b>Loss before tax</b>                                 |                        |                        |                      |                            | <b>(9,750,049,427)</b> |
| Provision for taxation                                 |                        |                        |                      |                            | 83,960                 |
| <b>Loss for the period</b>                             |                        |                        |                      |                            | <b>(9,750,133,387)</b> |
| Other information:                                     |                        |                        |                      |                            |                        |
| Segment assets   | 10,235,365,908         | 16,341,557,766         | 9,204,844,062        | (14,005,421,799)           | 21,776,345,937         |
| <b>Unallocated corporate assets</b>                    |                        |                        |                      |                            | <b>1,733,005,664</b>   |
| Total assets   |                        |                        |                      |                            | 23,509,351,601         |
| Segment liabilities                                    | 4,299,127,623          | 5,651,805,654          | 8,819,995,723        | (13,611,330,635)           | 5,159,598,365          |
| <b>Unallocated corporate liabilities</b>               |                        |                        |                      |                            | <b>55,706,727,838</b>  |
| Total liabilities                                      |                        |                        |                      |                            | 60,866,326,203         |
| Capital expenditure                                    | 40,920,608             | 227,619,052            | 7,490,761            | -                          | 276,030,421            |
| Unallocated capital expenditure                        |                        |                        |                      |                            | -                      |
| Total capital expenditure                              |                        |                        |                      |                            | 276,030,421            |
| Depreciation, amortisation and impairment              | 956,442,881            | 1,317,630,285          | 136,029,066          | (111,891,018)              | 2,298,211,214          |
| Unallocated depreciation, amortisation and impairment  |                        |                        |                      |                            | 7,689,914              |
| <b>Total depreciation, amortisation and impairment</b> |                        |                        |                      |                            | <b>2,305,901,128</b>   |

(b) Information about secondary geographical segments:

| Sales revenue by geographical market | As at March 31, 2017 | As at March 31, 2016 |
|--------------------------------------|----------------------|----------------------|
| India                                | 4,723,126,246        | 5,156,465,567        |
| Outside India                        | 2,229,513,129        | 3,821,674,567        |
| <b>Total</b>                         | <b>6,952,639,375</b> | <b>8,978,140,134</b> |

| Assets and additions to tangible and intangible fixed assets by geographical area | Addition to fixed assets and intangible assets |                      | Carrying amount of segment assets |                       |
|---|--|----------------------|-----------------------------------|-----------------------|
|   | As at March 31, 2017                           | As at March 31, 2016 | As at March 31, 2017              | As at March 31, 2016  |
| India   | 282,567,731                                    | 276,030,421          | 16,948,542,071                    | 23,198,772,141        |
| Outside India   | -  | -                    | 236,975,524                       | 310,579,460           |
| <b>Total</b>  | <b>282,567,731</b>                             | <b>276,030,421</b>   | <b>17,185,517,595</b>             | <b>23,509,351,601</b> |

#### 44 Employees' benefits

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

##### (I) Defined contribution plans

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

| Particulars   | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|---|-------------------------|-------------------------|
| Employers' contribution to provident fund *                       | 43,286,352              | 55,866,395              |
| Employers' Contribution to Employee's State Insurance Act, 1948 * | 873,213                 | 591,196                 |
| Employers' Contribution to Employee's Pension Plan, 1995 *        | 28,375,293              | 31,620,996              |
| <b>Total</b>  | <b>72,534,858</b>       | <b>88,078,587</b>       |

\* Included in Contribution to Provident and Other Funds under Employee benefit expenses (refer note 29).

##### (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)-'Employee Benefits' (AS - 15), 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 |                         |
|---|-----------------------------|-------------------------|--------------------------|-------------------------|
|   | As at<br>March 31, 2017     | As at<br>March 31, 2016 | As at<br>March 31, 2017  | As at<br>March 31, 2016 |
| Discount rate (per annum)                                     | 7.00%                       | 7.84%                   | 7.00%                    | 7.84%                   |
| Rate of increase in compensation levels                       | 10.00%                      | 10.00%                  | 10.00%                   | 10.00%                  |
| Rate of return on plan assets                                 | -                           | -                       | 7.00%                    | 7.84%                   |
| Expected average remaining working lives of employees (years) | 6.15                        | 6.12                    | 6.15                     | 6.12                    |

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

| Particulars   | Unavailed leaves (unfunded) |                         | Employee's gratuity fund |                         |
|---|-----------------------------|-------------------------|--------------------------|-------------------------|
|   | As at<br>March 31, 2017     | As at<br>March 31, 2016 | As at<br>March 31, 2017  | As at<br>March 31, 2016 |
| <b>Present value of obligation as at April 1, 2016</b>  | 84,509,265                  | 92,175,671              | 296,682,377              | 284,426,627             |
| Interest cost   | 6,683,383                   | 9,014,205               | 22,210,687               | 26,517,794              |
| Current service cost                                    | 10,226,186                  | 14,007,612              | 22,732,813               | 28,744,601              |
| Benefits paid/transferred                               | (9,409,319)                 | (16,271,949)            | (27,202,104)             | (49,218,910)            |
| Equitable interest transferred                          | (986,162)                   | -                       | 3,263,643                | -                       |
| Acquisition/business combination/divestiture            | -                           | -                       | -                        | -                       |
| Actuarial gain on obligations                           | (7,021,414)                 | (14,416,274)            | 24,994,199               | 6,212,265               |
| <b>Present Value of obligation as at March 31, 2017</b> | <b>84,001,939</b>           | <b>84,509,265</b>       | <b>342,681,615</b>       | <b>296,682,377</b>      |

MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017

(All amounts in rupees, unless otherwise stated)

(iii) Changes in the fair value of plan assets

| Particulars   | Employee's Gratuity Fund |                         |
|---|--------------------------|-------------------------|
|   | As at<br>March 31, 2017  | As at<br>March 31, 2016 |
| <b>Fair value of plan assets as at April 1, 2016</b>  | 68,769,549               | 81,980,699              |
| Expected return on plan assets                        | 5,249,395                | 7,279,254               |
| Actuarial gains and losses                            | 590,813                  | (512,499)               |
| Contributions   | 12,606,173               | 29,368,110              |
| Benefits paid   | (27,202,104)             | (49,218,910)            |
| Additional charge/acquisition/ business combination   | -                        | (127,105)               |
| <b>Fair value of plan assets as at March 31, 2017</b> | <b>60,013,826</b>        | <b>68,769,549</b>       |

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

| Particulars   | Unavailed leaves (unfunded) |                         |
|---|-----------------------------|-------------------------|
|   | As at<br>March 31, 2017     | As at<br>March 31, 2016 |
| <b>Current service cost</b>   | 10,226,185                  | 14,007,611              |
| Interest cost   | 6,683,383                   | 9,014,205               |
| Net actuarial (gain)/loss recognised                                  | (8,007,576)                 | (14,416,274)            |
| <b>Total expenses recognised in the statement of profit and loss*</b> | <b>8,901,992</b>            | <b>8,605,542</b>        |

| Particulars  | Gratuity (funded)       |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
| Current service cost   | 22,732,813              | 28,744,601              |
| Interest cost  | 22,210,687              | 26,517,794              |
| Expected return on plan assets   | (4,945,918)             | (7,279,254)             |
| Net actuarial (gain)/loss recognised                                   | 27,667,032              | 7,720,912               |
| <b>Total expenses recognised in the statement of profit and loss**</b> | <b>67,664,614</b>       | <b>55,704,053</b>       |

\* Included in salary, wages and bonus

\*\* Included in contribution to provident and other funds

(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) |                                |                                 |                                   |                              |
|---|-----------------------------------|--------------------------------|---------------------------------|-----------------------------------|------------------------------|
|   | Year ended<br>March 31, 2017      | Period ended<br>March 31, 2016 | Year ended<br>December 31, 2014 | Period ended<br>December 31, 2013 | Year ended<br>March 31, 2013 |
| Present value of defined benefit obligation             | 342,681,615                       | 296,682,377                    | 284,426,627                     | 276,358,774                       | 296,034,011                  |
| Fair value of plan assets                               | 60,013,826                        | 68,769,549                     | 81,980,699                      | 93,379,468                        | 119,497,355                  |
| Deficit in the plan assets                              | (282,667,789)                     | (227,912,828)                  | (202,445,929)                   | (178,683,928)                     | (174,079,049)                |
| Experience adjustments on plan liabilities loss/ (gain) | 7,669,566                         | (3,061,361)                    | (11,971,845)                    | (6,543,053)                       | 27,980,085                   |
| Experience adjustments on plan assets (loss)/ gain      | -                                 | (127,105)                      | -                               | -                                 | -                            |

**MOSER BAER INDIA LIMITED**
**Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017**
*(All amounts in rupees, unless otherwise stated)*

| Particulars                                 | Leave Encashment (unfunded)  |                                |                                 |                                   |                              |
|---|------------------------------|--------------------------------|---------------------------------|-----------------------------------|------------------------------|
|   | Year ended<br>March 31, 2017 | Period ended<br>March 31, 2016 | Year ended<br>December 31, 2014 | Period ended<br>December 31, 2013 | Year ended<br>March 31, 2013 |
| Present value of defined benefit obligation | 84,001,939                   | 84,509,265                     | 92,175,671                      | 92,337,834                        | 91,533,505                   |
| Surplus or (deficit) in the plan assets     | (84,001,939)                 | (84,509,265)                   | (92,175,671)                    | (92,337,834)                      | (91,533,505)                 |

**45 Foreign currency convertible bonds**

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

| Particulars  | As at March 31, 2017 | As at March 31, 2016 |
|--|----------------------|----------------------|
| <b>Opening balance</b>                                     | 4,983,850,363        | 3,879,418,653        |
| Add:- Provision for the year/period                        | 662,950,425          | 1,104,431,710        |
| <b>Total Premium as on March 31, 2017</b>                  | <b>5,646,800,788</b> | <b>4,983,850,363</b> |
| Classified under other current liabilities (refer note 13) | 2,129,250,712        | 2,175,545,909        |
| Classified under short term provision (refer note 14)      | 3,517,550,076        | 2,808,304,454        |

Premium payable on redemption of FCCB accrued up to March 31, 2017 calculated on prorata basis Rs. 5,646,800,788 (previous period Rs. 4,983,850,363) 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.

(b) During the previous period, the Company issued 9,879 equity shares of Rs. 10 each upon conversion of 6.75% Tranche B Foreign Currency Convertible Bonds (FCCBs) of principal amount of USD 100,000 to one of the bondholders out of the total of USD 43 million outstanding as at December 31, 2014. Post the conversion, Tanche B FCCBs aggregating to USD 42.9 million and Tanche A FCCBs aggregating to USD 45.5 million are outstanding as at March 31, 2017.

**46 Disclosures pursuant to Accounting Standard (AS) 7 (Construction Contracts):**

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| Contract revenue recognised during the year /period  | 20,830,919              | 101,724,639             |
| Aggregate amount of contract costs incurred for all contracts in progress at year/period     | 20,843,952              | 74,895,587              |
| Recognised profits (less recognised losses) for all contracts in progress at the year/period | (13,033)                | 26,829,052              |
| Amount of advances received for contracts in progress at year/period                         | -                       | -                       |
| Amount of retentions for contracts in progress at year/period                                | -                       | -                       |

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

| Particulars  | As at<br>March 31, 2017 | As at<br>March 31, 2016 |
|--|-------------------------|-------------------------|
| (a) Amount remaining unpaid to Micro,small and medium enterprises at the end of year/period                        |                         |                         |
| Principal amount   | 25,462,351              | 21,044,483              |
| Interest thereon   | 29,174,364              | 33,568,666              |
| <b>Total</b>   | <b>54,636,716</b>       | <b>54,613,149</b>       |
| (b) Amount of payments made to Micro,small and medium enterprises beyond the appointed date during the year/period |                         |                         |
| Principal amount   | 80,836,466              | 139,484,519             |
| Interest actually paid u/s 16 of the Act.  | -                       | -                       |
| <b>Total</b>   | <b>80,836,466</b>       | <b>139,484,519</b>      |
| (c) Interest accrued (including interest u/s 16 of the Act) and remaining unpaid at the end of the year/period     |                         |                         |
| Interest accrued during the year/period  | 5,231,542               | 8,095,923               |
| Interest remaining unpaid during the year/period   | 29,174,364              | 33,568,666              |

**MOSER BAER INDIA LIMITED**

**Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017**

*(All amounts in rupees, unless otherwise stated)*

**48** Additional information to consolidated financial statements as at March 31, 2017 (Pursuant to Schedule III of the Companies Act 2013):

| Name of the entity  | Net assets i.e. total assets minus total liabilities |                         | Share in profit and loss               |                         |
|---|--|-------------------------|--|-------------------------|
|   | As % of consolidated net assets                      | Amount                  | As % of consolidated net profit/(loss) | Amount                  |
| <b>Parent company</b>   |  |                         |  |                         |
| Moser Baer India Limited  | 58%  | (28,395,085,198)        | 47%                                    | (4,961,717,935)         |
| <b>Subsidiaries: Indian</b>   |  |                         |  |                         |
| Moser Baer Distribution Limited (formerly Moser Baer SEZ Developer Limited)     | 0%   | 2,335,054               | 0%                                     | (83,973)                |
| Solar Research Limited  | 0%   | 329,840                 | 0%                                     | (74,443)                |
| Moser Baer Laboratories Limited   | 0%   | 135,459                 | 0%                                     | (66,917)                |
| Moser Baer Entertainment Limited  | 2%   | (1,179,251,221)         | 0%                                     | (8,152,129)             |
| Moser Baer Investments Limited  | 0%   | (181,055)               | 0%                                     | (83,201)                |
| Moser Baer Solar Limited  | 19%  | (9,061,428,973)         | 37%                                    | (3,946,960,350)         |
| Helios Photovoltaic Limited (formerly known as Moser Baer Photovoltaic Limited) | 21%  | (10,055,422,709)        | 16%                                    | (1,717,801,968)         |
| Value Solar Energy Private Limited  | 1%   | (307,982,726)           | 0%                                     | 2,048,895               |
| Pride Solar Systems Private Limited   | 0%   | (88,956)                | 0%                                     | (36,423)                |
| Admire Energy Solutions Private Limited   | 0%   | (93,741)                | 0%                                     | (36,388)                |
| Moser Baer Solar Systems Private Limited  | -1%  | 474,833,254             | 0%                                     | 413,370                 |
| Competent Solar Energy Private Limited  | 0%   | (19,055)                | 0%                                     | (20,660)                |
| Moser Baer Infrastructure and Developers Limited                                | 0%   | 53,999,663              | 0%                                     | (26,983,775)            |
| <b>Subsidiaries: Foreign</b>  |  |                         |  |                         |
| Perafly Limited   | 0%   | (34,583,846)            | 0%                                     | 4,744,983               |
| Peraround Limited   | 0%   | 1,263,099               | 0%                                     | 34,215,392              |
| Advoferm Limited  | 0%   | 165,417                 | 0%                                     | 33,254,682              |
| European Optic Media Technology GmbH  | 0%   | (4,225,241)             | 0%                                     | (5,055,100)             |
| Photovoltaic Holdings Limited   | 0%   | (1,415,181)             | 0%                                     | 1,267,080               |
| MB Solar Holdings Limited   | 0%   | (129,789,927)           | 0%                                     | (23,087,067)            |
| TIFTON Limited  | 0%   | -                       | 0%                                     | -                       |
| Omega   | 0%   | 470,570                 | 0%                                     | -                       |
| Moser Baer Photovoltaic Inc. USA  | 0%   | 1,843,957               | 0%                                     | (50,561)                |
| <b>Total</b>  | <b>100%</b>  | <b>(48,634,191,516)</b> | <b>100%</b>                            | <b>(10,614,266,488)</b> |

**49** (a) As per the Corporate Debt Restructuring scheme ("CDR") approved in the year ended March 31, 2013, parent Company recorded amounts receivable from banks on account of installment paid prior to implementation of corporate debt restructuring, excess interest paid by the parent Company and release of additional limits as per the scheme. As the parent Company has exited from CDR in current year, entire amount recoverable has been reversed (Rs. 253,337,497 from respective loans and Rs. 159,516,378 pertaining to interest expenses for previous year has been shown as exceptional items). Pursuant to recall notices, the Group has classified debt from non-current bank liabilities to current liabilities and derecognized the amounts recoverable from banks under CDR scheme amounting to Rs. 412,853,875 with corresponding adjustments to the debt and interest expense. In the absence of any definitive agreement with these lender banks and pending reconciliation of debts with the banks, the Group has not been able to determine the impact of exit from CDR and recall notices received on the carrying value of debt and interest payable thereon.

(b) Subsequent to exit of two subsidiary companies, Helios Photovoltaic Limited (HPVL) in FY 2015-16 and Moser Baer Solar Limited (MBSL) in FY 2016-17 from CDR, majority of lender banks issued notices to these subsidiary companies recalling their debt and enforcement action under SARFAESI Act. The subsidiary companies have already challenged the said loan recall and enforcement action in its response to those notices and will take further appropriate steps as may be advised by its lawyers. Pursuant to recall notices, the Group has classified debt from non-current bank liabilities to current liabilities and derecognized



the amounts recoverable from banks under CDR scheme amounting to Rs. 80,994,536 with corresponding adjustments to the debt and interest expense. In the absence of any definitive agreement with these lender banks and pending reconciliation of debts with the banks, the Group has not been able to determine the impact of exit from CDR and recall notices received on the carrying value of debt and interest payable thereon.

## 50 Going Concern

The Group has incurred a loss of Rs. 10,614,266,488 during the year ended March 31, 2017 (previous period Rs. 9,750,133,387) and, as of that date, the Group's accumulated losses amounts to Rs. 62,648,176,086 (previous period Rs. 52,033,909,598) and it has negative net worth of Rs. 48,634,191,514 (previous period Rs. 37,356,974,603). Further, as of March 31, 2017, the Group's current liabilities exceeded its current assets by Rs. 59,958,861,283 (previous period ended March 31, 2016 Rs. 39,232,988,779).

The parent company has outstanding foreign currency convertible bonds (FCCBs) with principal value of USD 88,400,000 equivalent to Rs. 5,732,740,000 (as on March 31, 2016 USD 88,400,000 equivalent to Rs.5,857,384,000) which were due for redemption along with premium on June 21, 2012. As at March 31, 2017, accrual for premium on FCCB aggregates Rs.5,646,800,788. The parent company is in the process of negotiation with the bondholders to re-structure the terms of these bonds. This is now subject to the approval of secured lenders, which is expected to be settled only along with the resolution of secured debt. Meanwhile, the parent company has applied to the RBI for extension of time.

After the exit of parent company from CDR mechanism on October 10, 2016, the parent company has continued to operate through TRA with 9% tagging against which the company has requested lenders for it has represented for short term relief. The parent company approached the lender consortium with a fresh proposal for resolution of its secured debt in November 2016, which did not find favor of the lender banks. The lender banks have sought to recall the entire outstanding amounts owed to them by the parent company. The parent company has already challenged the said loan recall and enforcement action in its response to the notices received under section 13(2) of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) and will take further appropriate steps as may be advised by its lawyers.

In respect of Helios Photovoltaic Limited ('HPVL') and Moser Baer Solar Limited ('MBSL'), two of the operating subsidiaries of the Company, as mentioned in note 49 to the results, the lenders banks have exited from CDR and have issued notices to subsidiary companies recalling their debt and recovery action under SARFAESI Act. The management has taken an expert opinion from a leading law firm about the options available to the banks and the possible legal defenses available to the subsidiary companies.

The Group has been operating at suboptimal levels due to working capital constraints, resulting in adverse impact on cash flow from operations in the current year as well as earlier periods. The Group is pursuing resolution of debt with secured lenders and FCCBs holders and is expecting removal/ reduction in tagging by the lender banks. The Group also expects to generate cash flow through sale of surplus assets and improve operational efficiencies through reduction in fixed overheads and employee costs. In case of MBIL, management has also entered into an arrangement with its main raw material supplier for extension of credit terms and is also in discussion with customers of all the operating entities to provide advance for business. Further, the group also expects receipt of capital subsidies under Special Incentive Package Scheme (SIPs) in MBSL and HPVL and also expects significant supportive measures by government for the solar energy sector in the solar business in India.

Conditions explained above, indicate existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern due to which the Group may not be able to realize its assets and discharge its liabilities in the normal course of business. However, on expectation of generation of funds through sale of surplus assets, expected improvement in the operating activities & cash flows, expectation that lender banks will take remedial action as opposed to recovery action, expert opinion taken from leading law firm about possible legal defense available to the Group and expected receipt of SIPs amount, management expects to generating positive cash flow from operations and accordingly, these financials have been prepared on a going concern basis.

- 51 The Ministry of New & Renewable Energy ('MNRE') had sanctioned grant-in-aid for implementation of R&D project on "Development of CIGS solar cell pilot plant to achieve grid parity solar cess" vide order no. MNRE/31/10/2009-10/PVSE, dated October 21, 2010 with a project cost of Rs. 156,376,000 of which MNRE share was Rs. 71,050,000 and Company's share was Rs. 85,326,000 for three years. In the year ended March 31, 2011, the Company had received grant of Rs. 35,000,000 for the said project.

**MOSER BAER INDIA LIMITED**

**Summary of significant accounting policies and other explanatory informations to the consolidated financial statements for the year ended March 31, 2017**

*(All amounts in rupees, unless otherwise stated)*

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Pursuant to the meeting of R&D Project Appraisal Committee (RDPAC) on Solar Photovoltaic and Solar Thermal held on November 16, 2015 and letter No. 15/01/2010-11/ST dated March 28, 2016, the project was considered as commercially unviable and therefore decided to abandon the project and the Company has been requested to shift all MNRE assets acquired out of the grant received to National Institute of Solar Energy (NISE) and unspent money is to be return to the MNRE.

Note 15 on "Fixed Assets" under the sub-head Plant and Equipment includes testing equipments of Rs. 21,139,973 acquired out of the grant received, having carrying value of Rs. 7,474,138 as at March 31, 2017 (previous period Rs. 11,810,351). Out of the total grant received by the Company, balance unspent money of Rs. 13,860,027 has been kept in the form of fixed deposits with one of the nationalised bank and included in cash and bank balances.

Pursuant to the letter received by the Company in respect of demand of unspent money by the MNRE, the grant received has been disclosed in the financial statements as "Deferred Government grant" under sub-head "Other Current Liabilities".

**52** EMCO Limited and Moser Baer Solar Limited, one of the subsidiary company entered into a contract on 09 June 2011 for supply, civil construction, erection and commissioning and testing. The said contract was amended on two occasions on 18 October 2011 and 11 January 2012. Original contract price of Rs. 630,000,000 was reduced to Rs. 428,000,000 with further reduction to Rs. 335,500,000. The reduction in contract value as agreed is the sole and exclusive remedy available with EMCO for reduction in tariff. EMCO has disputed the outstanding dues with respect to services rendered/ goods supplied by the subsidiary. Based on the opinion of external legal counsel, the Management expects a favorable outcome from the proposed proceedings and considers the amount of Rs. 106,726,723 as recoverable.

**53** During the previous period, the Company prepared consolidated financial statements for 15 months ended March 31, 2016 whereas current financial year consists of 12 months period. Accordingly, current financial period figures are not comparable with those of the previous period.

**54** Figures of the previous period have been regrouped and rearranged wherever necessary, to make them comparable.

For **Walker Chandio & Co LLP**  
Chartered Accountants

**per Neeraj Goel**  
Partner

Place: New Delhi  
Date: May 23, 2017

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

**Deepak Puri**  
Chairman and Managing Director  
DIN : 00002189

**Neeraj Parmar**  
AVP Legal and Company Secretary  
M.No: F4589

**Nita Puri**  
Director  
DIN : 00002331

**Yogesh Mathur**  
Chief Financial Officer  
PAN: ADDPP2926L

**Statement pursuant to first proviso to sub section (3) of Section 129 of the Companies Act 2013,  
read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed FORM AOC-1 relating to Subsidiaries / Joint Venture**

| S.No. | Name of subsidiary company  | Reporting currency | Share capital | Reserve and Surplus | Total assets  | Total liabilities | Investments (except in case of investment in subsidiary) | Turnover      | Profit before taxation | Provision for taxation | Profit after taxation | % of share holding |
|-------|---|--------------------|---------------|---------------------|---------------|-------------------|--|---------------|------------------------|------------------------|-----------------------|--------------------|
| 1     | European Optic Media Technology GmbH  | EURO               | 111,263,750   | (60,962,978)        | 58,083,993    | 7,783,222         | -  | -             | (5,367,501)            | -                      | (5,367,501)           | 100%               |
| 2     | Moser Baer Distribution Limited (formerly Moser Baer SEZ Developer Limited)*    | INR                | 105,000,000   | 672,820,011         | 778,436,775   | 616,763           | -  | -             | (583,973)              | -                      | (583,973)             | 100%               |
| 3     | Solar Research Limited *  | INR                | 74,250,000    | 661,549,930         | 735,880,183   | 80,253            | -  | -             | (74,443)               | -                      | (74,443)              | 100%               |
| 4     | Moser Baer Laboratories Limited *   | INR                | 500,000       | (382,955)           | 169,060       | 52,016            | -  | -             | (66,917)               | -                      | (66,917)              | 100%               |
| 5     | Moser Baer Entertainment Limited  | INR                | 662,700,000   | (2,403,153,561)     | 139,613,501   | 1,880,067,062     | -  | 1,900,561,092 | (152,460,372)          | -                      | (152,460,372)         | 100%               |
| 6     | Moser Baer Investments Limited  | INR                | 652,646,600   | (798,226,518)       | 65,741        | 145,645,659       | -  | -             | (787,519,219)          | -                      | (787,519,219)         | 100%               |
| 7     | Photovoltaic Holdings Limited   | INR                | 1,141,360,033 | (12,900,348)        | 1,135,655,614 | 7,195,930         | -  | 1,267,080     | 1,267,080              | -                      | 1,267,080             | 100%               |
| 8     | MB Solar Holdings Limited   | INR                | 6,676,504,172 | (508,646,674)       | 6,294,970,907 | 127,113,409       | -  | -             | (23,087,067)           | -                      | (23,087,067)          | 100%               |
| 9     | Moser Baer Solar Limited  | INR                | 9,825,004,040 | (24,003,620,716)    | 8,159,215,497 | 22,337,832,173    | -  | 1,198,438,765 | (4,171,899,366)        | -                      | (4,171,899,366)       | 100%               |
| 10    | Helios Photovoltaic Limited (formerly known as Moser Baer Photovoltaic Limited) | INR                | 8,953,330,900 | (19,001,935,027)    | 5,356,221,377 | 15,404,825,504    | -  | 962,717,111   | (4,376,576,737)        | -                      | (4,376,576,737)       | 100%               |
| 11    | Perafly Limited   | INR                | 1,210,772,690 | (55,497,061)        | 1,189,293,136 | 34,017,508        | -  | -             | 4,744,983              | -                      | 4,744,983             | 100%               |
| 12    | Peraround Limited   | INR                | 171,784,239   | 338,899,830         | 1,648,301,523 | 1,137,617,454     | 1,320,264  | 34,215,392    | 34,215,392             | -                      | 34,215,392            | 100%               |
| 13    | Advoform Limited  | INR                | 989,552       | (843,993,679)       | 178,532,869   | 1,021,536,996     | 1,382  | -             | #REF!                  | -                      | #REF!                 | 100%               |
| 14    | TIFTON Limited  | INR                | 16,173,750    | (19,021,119)        | 628,380       | 3,475,749         | -  | -             | -                      | -                      | -                     | 100%               |
| 15    | Value Solar Energy Private Limited  | INR                | 100,000       | (581,015,523)       | 134,509,917   | 715,425,440       | -  | -             | (156,494,722)          | 1,472,450              | (157,967,172)         | 100%               |
| 16    | Pride Solar Systems Private Limited *   | INR                | 100,000       | (396,683)           | 1,444         | 298,127           | -  | -             | (47,098)               | -                      | (47,098)              | 100%               |
| 17    | Admirer Energy Solutions Private Limited *                                      | INR                | 100,000       | (379,799)           | 1,444         | 281,243           | -  | -             | (47,063)               | -                      | (47,063)              | 100%               |
| 18    | Moser Baer Solar Systems Private Limited  | INR                | 255,000       | 28,991,955          | 511,909,881   | 482,662,926       | -  | 765,068,740   | 453,286                | -                      | 453,286               | 100%               |
| 19    | Competent Solar Energy Private Limited *  | INR                | 100,000       | (1,192,599)         | 59,694        | 1,152,293         | -  | -             | (23,160)               | -                      | (23,160)              | 100%               |
| 20    | Moser Baer Infrastructure and Developers Limited                                | INR                | 111,500,000   | (276,977,190)       | 146,068,690   | 311,545,879       | -  | -             | (65,400,775)           | -                      | (65,400,775)          | 100%               |
| 21    | Moser Baer Photovoltaic Inc. USA  | USD                | 2,320,186     | (712,316)           | 2,005,817     | 397,946           | -  | -             | (50,561)               | -                      | (50,561)              | 100%               |

Notes:

\* These companies are yet to commence operations

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

**Deepak Puri**  
Chairman and  
Managing Director

**Nita Puri**  
Director

**Yogesh Mathur**  
Chief Financial Officer

**Neeraj Parmar**  
AVP Legal and  
Company Secretary

Date: May 23, 2017  
Place: New Delhi







**moserbaer**

**Regd. Office:** 43-B, Okhla Industrial Estate, Phase-III, New Delhi-110020

**Tel:** 011-40594444 **Fax:** 011-41635211, 26911860

[www.moserbaer.com](http://www.moserbaer.com), **E-mail:** [shares@moserbaer.in](mailto:shares@moserbaer.in)

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