

# Walker, ChandioK & Co

## Review Report

L 41 Connaught Circus  
New Delhi 110001  
India

## The Board of Directors Moser Baer India Limited

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1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of **Moser Baer India Limited** (the 'Company') for quarter ended 30 September 2012 and the year to date results for the period 01 April 2012 to 30 September 2012, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a review report on this Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We draw attention to note 4(b) in the Statement with respect to management's assessment of recoverability of investments in and other receivables from two subsidiaries namely Moser Baer Photovoltaic Limited (MBPV) and Moser Baer Solar Limited (MBSL) amounting to Rs.14,755 lacs and Rs.61,175 lacs respectively. The recoverability of these amounts is dependent on successful implementation of new technologies, external market conditions and conclusion of debt restructuring in the terms as proposed by the subsidiaries, which are significantly uncertain. Our opinion is not modified in respect of this matter.



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5. We draw attention to note 4(c) to the Statement about the re-structuring of foreign currency convertible bonds. The re-structuring as proposed by the Company is pending approval by the bond holders and has not been accounted for in the books of account as of 30 September 2012. Our opinion is not modified in respect of this matter.

*Walker, Chandio & Co*

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

*David Jones*

per **David Jones**  
Partner  
Membership No. 098113



**Place:** Gurgaon  
**Date:** 09 November, 2012

**MOSER BAER INDIA LIMITED**

Registered Office: 43-B, Okhla Industrial Estate Phase-III, New Delhi - 110 020

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2012

(Rs. In Lacs)

S.No.	Particulars	3 months ended	Previous 3 months ended	Corresponding 3 months ended	Year to Date figures for	Year to Date figures for the	Previous Accounting
		30.09.2012	30.06.2012	In the previous year 30.09.2011	Current Period ended 30.09.2012	Previous Period ended 30.09.2011	Year ended 31.03.2012
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	a. Net Sales / Income from Operations	41,427	43,049	51,755	84,476	104,062	202,801
	b. Other Operating Income	745	721	1,873	1,466	3,070	5,412
	<b>Total Income from Operations (net)</b>	<b>42,172</b>	<b>43,770</b>	<b>53,628</b>	<b>85,942</b>	<b>107,132</b>	<b>208,213</b>
2	<b>Expenses</b>						
	a. Cost of materials consumed	20,949	21,524	28,951	42,473	57,503	107,200
	b. Purchase of Stock in trade	725	83	303	808	427	681
	c. Change in inventories of finished goods, work in progress and stock in trade	1,239	(928)	(370)	311	3,759	8,868
	d. Employees benefits expense	4,141	4,715	4,323	8,856	9,117	17,974
	e. Depreciation and amortisation expense	7,590	8,075	8,384	15,665	17,440	37,582
	f. Power and Fuel expense	5,418	5,149	5,076	10,567	10,126	20,259
	g. Other expenses	6,886	10,234	7,626	17,120	14,873	28,308
	<b>Total expenses</b>	<b>46,948</b>	<b>48,852</b>	<b>54,293</b>	<b>95,800</b>	<b>113,245</b>	<b>220,872</b>
3	<b>Profit / (Loss) from Operations before Other Income, finance costs and exceptional items (1-2)</b>	<b>(4,776)</b>	<b>(5,082)</b>	<b>(665)</b>	<b>(9,858)</b>	<b>(6,113)</b>	<b>(12,659)</b>
4	Other Income	-	4,183	425	4,183	2,284	4,616
5	<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>(4,776)</b>	<b>(899)</b>	<b>(240)</b>	<b>(5,675)</b>	<b>(3,829)</b>	<b>(8,043)</b>
6	Finance costs	6,482	6,158	5,966	12,640	11,597	23,900
7	<b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>(11,258)</b>	<b>(7,057)</b>	<b>(6,206)</b>	<b>(18,315)</b>	<b>(15,426)</b>	<b>(31,943)</b>
8	Exceptional items	2,496	(5,133)	-	(2,637)	-	-
9	<b>Profit / (Loss) from ordinary activities before tax (7+8)</b>	<b>(8,762)</b>	<b>(12,190)</b>	<b>(6,206)</b>	<b>(20,952)</b>	<b>(15,426)</b>	<b>(31,943)</b>
10	Tax expense	-	-	-	-	-	-
11	<b>Net Profit / (Loss) from ordinary activities after tax (9-10)</b>	<b>(8,762)</b>	<b>(12,190)</b>	<b>(6,206)</b>	<b>(20,952)</b>	<b>(15,426)</b>	<b>(31,943)</b>
12	Extraordinary Items (net of tax expense)	-	-	-	-	-	-
13	<b>Net Profit / (Loss) for the period (11-12)</b>	<b>(8,762)</b>	<b>(12,190)</b>	<b>(6,206)</b>	<b>(20,952)</b>	<b>(15,426)</b>	<b>(31,943)</b>
14	<b>Paid-up equity share capital</b> (Face value:Rs.10/- per share)	16,831	16,831	16,831	16,831	16,831	16,831
15	<b>Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year</b>						70,053
16	<b>Earnings Per Share: (not annualised)</b>						
	<b>i) Before Extraordinary Items</b>						
	- Basic (Rs.)	(5.21)	(7.24)	(3.69)	(12.45)	(9.17)	(18.98)
	- Diluted (Rs.)	(5.21)	(7.24)	(3.69)	(12.45)	(9.17)	(18.98)
	<b>ii) After Extraordinary Items</b>						
	- Basic (Rs.)	(5.21)	(7.24)	(3.69)	(12.45)	(9.17)	(18.98)
	- Diluted (Rs.)	(5.21)	(7.24)	(3.69)	(12.45)	(9.17)	(18.98)
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>						
1	<b>Public shareholding</b>						
	- Number of shares	140,885,963	140,885,963	140,885,963	140,885,963	140,885,963	140,885,963
	- Percentage of shareholding	83.71	83.71	83.71	83.71	83.71	83.71
2	<b>Promoters and promoter group Shareholding</b>						
	<b>a) Pledged/Encumbered</b>						
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
	<b>b) Non-encumbered</b>						
	- Number of shares	27,420,141	27,420,141	27,420,141	27,420,141	27,420,141	27,420,141
	- Percentage of shares (as a % of the total shareholding of promoter)	100.00	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the Company)	16.29	16.29	16.29	16.29	16.29	16.29

Particulars	3 months ended 30.09.2012
<b>B INVESTOR COMPLAINTS</b>	
Pending at the beginning of the quarter	1
Received during the quarter	5
Disposed of during the quarter	6
Remaining unresolved at the end of the quarter	Nil

**Notes:**

- The Company is primarily in the business of manufacture and sale of Storage Media. The other activities of the Company comprise replication of content, sale of consumer electronic products and operation and maintenance of sector specific Special Economic Zone for non-conventional energy. The segment revenues, results and assets of the other activities do not constitute reportable segments under AS-17 and accordingly no disclosure is required.
- (a) The Profit / (Loss) from operations before other income, finance costs and exceptional items for the quarter ended September 30, 2012 includes foreign currency exchange fluctuation loss (net) of Rs. 1067 lacs. (Quarter ended June 30, 2012 includes gain (net) of Rs 698 lacs).  
(b) The current quarter exceptional items pertains to exchange gain of Rs. 2,496 lacs (Quarter ended June 30, 2012 exchange loss of Rs 5,133 lacs) on account of long term foreign currency liabilities.

3 Statement of Assets and Liabilities as at September 30, 2012 are as under :-

Particulars		(Rs. in Lacs)	
		As at Current half year end 30.09.2012 (Unaudited)	As at Previous year end 31.03.2012 (Audited)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholder's funds</b>		
	(a) Share Capital	16,831	16,831
	(b) Reserves and Surplus	46,074	70,053
	<b>Sub-total - Shareholders' funds</b>	<b>62,905</b>	<b>86,884</b>
<b>2</b>	<b>Non-current liabilities</b>		
	(a) Long Term borrowings	23,290	38,624
	(b) Other long term liabilities	17,976	17,932
	(c) Long-term provisions	2,340	1,993
	<b>Sub-total - Non-current liabilities</b>	<b>43,606</b>	<b>58,549</b>
<b>3</b>	<b>Current liabilities</b>		
	(a) Short-term borrowings	89,812	87,062
	(b) Trade payables	31,425	32,909
	(c) Other current liabilities	118,509	100,956
	(d) Short-term provisions	25,664	22,321
	<b>Sub-total - Current liabilities</b>	<b>265,410</b>	<b>243,248</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>371,921</b>	<b>388,681</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Fixed assets	110,268	124,795
	(b) Non-current investments	70,092	70,092
	(c) Long-term loans and advances	16,026	15,211
	(d) Other non-current assets	32,584	34,462
	(e) Foreign currency monetary item translation difference account	-	975
	<b>Sub-total - Non-current assets</b>	<b>228,970</b>	<b>245,535</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	53,112	55,939
	(b) Trade receivables	74,280	72,880
	(c) Cash and cash equivalents	4,654	3,701
	(d) Short-term loans and advances	5,043	5,083
	(e) Other Current assets	5,862	5,543
	<b>Sub-total - Current assets</b>	<b>142,951</b>	<b>143,146</b>
	<b>TOTAL - ASSETS</b>	<b>371,921</b>	<b>388,681</b>

- 4 (a) The Company received the final Letter of Approval (LoA) dated October 22, 2012 from the Corporate Debt Restructuring Empowered Group (CDR-EG) to re-structure existing debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR Scheme"). The board of directors of the Company at its meeting held on November 09, 2012 approved the terms of the CDR Scheme for implementation. The effect of the CDR Scheme has not been given in the financial results of the Company as of March 31, 2012 and for the year then ended, since the execution of the Master Restructuring Agreement (MRA) by all the lenders is pending and the Company in the process of complying with the conditions precedent to the implementation of the CDR Scheme.
- (b) Moser Baer Photovoltaic Limited (MBPV) one of the subsidiaries of the Company received the LoA dated September 27, 2012 from the Corporate Debt Restructuring Empowered Group (CDR-EG) to re-structure existing debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR Scheme"). The draft debt re-structuring proposal of Moser Baer Solar Limited (MBSL) is under discussion amongst its lenders. .
- In anticipation of successful implementation of the MBPV and MBSL CDR schemes and successful implementation of new technologies by MBPV and MBSL, no adjustments to the carrying values of underlying investments in and advances to these subsidiaries aggregating to Rs. 75,930 lacs, are made in the results for the quarter ended September 30, 2012.
- (c) The Company's foreign currency convertible bonds (FCCBs) having face value of Rs.46,786 Lacs (equivalent to USD 88.5 million) were due for redemption on June 21, 2012, along with the premium on redemption of Rs.20,959 Lacs. The Company is in the process of re-structuring these FCCBs and has accordingly, received approval from the Reserve Bank of India (RBI) to extend the term of these FCCBs upto December 20, 2012, subject to the consent of bond holders. The Company is in discussions with the FCCB holders to restructure its obligation (both the face value and the premium) along with certain terms inter-alia, exchange of old bonds with new bonds, maturity of new bonds, redemption premium and conversion option. The re-structuring as proposed by the Company is pending approval by the bond holders, and therefore has not been accounted for in the books of account for the quarter ended September 30, 2012.
- 5 Figures of the previous period/ year have been regrouped and rearranged wherever necessary.
- 6 The above results were reviewed by the Audit Committee on November 08, 2012 and approved by the Board of Directors at its meeting held on November 09, 2012.
- 7 The Limited review by the Statutory Auditors for the quarter as required under clause 41 of the Listing Agreement has been completed and the related report is being forwarded to the Stock Exchanges.

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

**DEEPAK PUNJ**  
Chairman and Managing Director

Place: New Delhi  
Date: November 09, 2012