



**THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF BONDHOLDERS.**

**MOSER BAER INDIA LIMITED**

**NOTICE TO BONDHOLDERS**

to the holders of the

**US\$75,000,000 Zero Coupon Tranche A Convertible Bonds due 2012**

**ISIN XS0304908600**

**US\$75,000,000 Zero Coupon Tranche B Convertible Bonds due 2012**

**ISIN XS0304909673**

**(together, the “Bonds”)**

Moser Baer India Limited (the “**Issuer**”) refers to the notices of meeting dated 29 June 2012 (the “**Notices of Meeting**”) issued in relation to the above series of Bonds. Unless the context otherwise requires, capitalised terms used in this Notice shall have the meanings given to them in the Notices of Meeting.

As stated in each of the Notices of Meeting, the Issuer intended to circulate a Consent Solicitation Memorandum and an Information Memorandum (the “**Memoranda**”) setting out the details of the Issuer’s and MBPV’s restructuring and the proposed commercial terms of the Bond restructuring (“**Proposed Bond Restructure**”) on or prior to 20 August 2012.

**Due to the reasons set out below, the Memoranda have not been circulated and the Issuer hereby gives notice to Bondholders that the Meetings to be held on 31 August 2012 are cancelled and will not be held.**

Key reasons for the cancellation of the Meetings include:

- The Issuer has made an application for approval from the RBI in respect of the Proposed Bond Restructure. The Issuer is actively pursuing such approval but it has not yet been received.
- As described in the Notices of Meeting, the Issuer and its subsidiaries, MBPV and MBSL, are in the process of restructuring their secured Rupee denominated debt pursuant to the CDR Mechanism. However, the MBSL and MBPV approvals are not considered a prerequisite to the finalization of the Proposed Bond Restructure. While the detailed scheme for the Issuer and MBPV have been satisfactorily discussed with all lenders, final approvals are still awaited. The Issuer currently expects to receive final approval with respect to the Issuer shortly and MBPV soon thereafter.
- The Issuer intends to launch a new consent solicitation process shortly and will issue new notice of meeting to Bondholders on or about 7 September 2012 setting out the resolutions to be considered at the new meetings together with the timing and voting procedures.

The Trustee is not responsible for the accuracy, completeness, validity or correctness of the statements made in this Notice and expresses no view on the contents hereof.

Questions regarding this notice should be directed to Deutsche Bank AG, Hong Kong Branch (acting as Consent Solicitation Agent) as set out below.



**Deutsche Bank AG, Hong Kong Branch**

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This Notice is given by:

**MOSER BAER INDIA LIMITED**

43-B Okhla Industrial Estate

New Delhi 110 020

India

Dated: 23August 2012

*Nothing in this announcement constitutes an offer of, an offer to buy, or a solicitation of an offer to sell, securities in the United States, the Republic of India or any other jurisdiction in which such offer or solicitation would be unlawful. The New Bonds and any new securities which may be issued pursuant to the proposed substitution and waivers and which are the subject of the consent solicitation have not been registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any state of the United States or any other jurisdiction. The New Bonds and any new securities which may be issued pursuant to the proposed substitution and waivers and which are the subject of the consent solicitation may not be offered or sold in the United States except pursuant to any exemption from the registration requirements of the Securities Act. This announcement is not intended to be distributed to any Bondholder or other person located in the United States. No offer or sale of securities has been or will be registered under the Securities Act or under the applicable securities laws of the Republic of India or any other jurisdiction. There will be no public offer of New Bonds or any new securities which may be issued pursuant to the proposed substitution and waivers in the United States, the Republic of India or any other jurisdiction.*