MOSER BAER INDIA LIMITED

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

Statement of Standalone and Consolidated Financial Results for the quarter and fifteen months' period ended 31 March 2016

(Rs. In Lacs)

S.No	Particulars	STANDALONE					CONSOLIDATED	
		3 months ended 31.03.2016	Previous 3 months ended 31.12.2015	Corresponding 3 months ended in the previous year 31.03.2015	For the Period from 01.01.2015 to 31.03.2016	For the Period from 01.01.2014 to 31.12.2014	For the year from 01.01.2015 to 31.03.2016	For the year from 01.01.2014 to 31.12.2014
		(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Income from operations							
	a. Net sales / Income from operations (Net of excise duty)	15,072	13,900	15,678	74,829	96,194	87,825	114,209
	b. Other operating income	249	184	385	1,130	2,269	1,956	2,634
	Total income from operations (net)	15,321	14,084	16,063	75,959	98,463	89,781	116,843
2	Expenses							
	a. Cost of materials consumed	7,580	7,618	6,776	40,335	52,820	44,000	59,484
	b. Purchase of stock in trade	465	287	142	1,244	144	7,435	6,423
	c. Change in inventories of finished goods, work in progress and stock in trade.	1,869	1,419	3,243	5,676	11,249	7,227	14,308
	d. Employees benefits expense	3,226	3,209	3,071	16,832	14,861	20,256	18,428
	e. Depreciation and amortisation expense	2,079	2,119	2,077	10,606	18,088	23,059	31,619
	f. Power and fuel expense	753	1,123	1,276	7,004	13,559	7,446	13,838
	g. Other expenses	2,105	2,581	3,116	13,955	15,443	17,954	22,275
	Total expenses	18,077	18,356	19,701	95,652	126,164	127,377	166,375
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(2,756)	(4,272)	(3,638)	(19,693)	(27,701)	(37,596)	(49,532)
4	Other Income	297	183	412	2,083	2,597	3,743	2,586
5	Profit / (Loss) from ordinary activities before finance costs and exceptional Items (3+4)	(2,459)	(4,089)	(3,226)	(17,610)	(25,104)	(33,853)	(46,946)
6	Finance costs	5,340	5,397	5,518	27,438	21,232	57,430	41,915
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(7,799)	(9,486)	(8,744)	(45,048)	(46,336)	(91,283)	(88,861)
8	Exceptional items	(2,344)	(629)	473	(25,317)	(24,493)	(6,217)	(5,082)
9	Profit / (Loss) from ordinary activities before tax (7+8)	(10,143)	(10,115)	(8,271)	(70,365)	(70,829)	(97,500)	(93,943)
10	Tax expense	-	-	-	-	-	1	10
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	(10,143)	(10,115)	(8,271)	(70,365)	(70,829)	(97,501)	(93,953)
12	Extraordinary items			-	-	-		-
13	Net Profit / (Loss) for the period (11-12)	(10,143)	(10,115)	(8,271)	(70,365)	(70,829)	(97,501)	(93,953)
14	Paid-up equity share capital (Face value:Rs.10/- per share)	22,177	22,177	22,176	22,177	20,831	22,177	20,831
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year					(112,222)		(369,932)
16	Earnings per share: (not annualised)							
	i) Before Extraordinary items							
	- Basic (Rs.)	(4.57)	(4.56)	(3.97)	(32.11)	(34.26)	(44.49)	(45.45)
	- Diluted (Rs.)	(4.57)	(4.56)	(3.97)	(32.11)	(34.26)	(44.49)	(45.45)
	ii) After Extraordinary items							
	- Basic (Rs.)	(4.57)	(4.56)	(3.97)	(32.11)	(34.26)	(44.49)	(45.45)
	- Diluted (Rs.)	(4.57)	(4.56)	(3.97)	(32.11)	(34.26)	(44.49)	(45.45)

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Statement of Assets and Liabilities as at 31 March 2016 are as under :-

S.No.	Particulars	STANDALONE (AUDITED)		CONSOLIDATED (AUDITED)	
		As at 31.03.2016 (Audited)	As at 31.12.2014 (Audited)	As at 31.03.2016 (Audited)	As at 31.12.2014 (Audited)
A	EQUITY AND LIABILITIES				
1	Shareholder's funds				
	(a) Share Capital	22,177	20,831	105,720	103,809
	(b) Reserves and Surplus	(194,706)	(112,222)	(479,290)	(369,932)
	Sub-total - Shareholder's funds	(172,529)	(91,391)	(373,570)	(266,123)
2	Non-current liabilities				
	(a) Long Term borrowings	61,277	83,824	126,769	225,045
	(b) Other long term liabilities	17,243	17,620	101	501
	(c) Long-term provisions	2,730	2,544	5,523	5,306
	Sub-total - Non-current liabilities	81,250	103,988	132,393	230,852
3	Current liabilities				
	(a) Short-term borrowings	77,493	82,065	106,230	107,665
	(b) Trade payables	35,872	28,942	29,593	28,726
	(c) Other current liabilities	164,661	113,131	307,137	158,032
	(d) Short-term provisions	33,291	23,401	33,311	23,456
	Sub-total - Current liabilities	311,317	247,539	476,271	317,879
	TOTAL - EQUITY AND LIABILITIES	220,038	260,136	235,094	282,608
B	ASSETS				
1	Non-current assets				
	(a) Fixed assets	53,793	65,561	149,516	171,199
	(b) Non-current investments	43,580	58,513	74	81
	(c) Long-term loans and advances	2,750	2,887	5,190	5,793
	(d) Other non-current assets	28,457	34,626	1,268	614
	Sub-total - Non-current assets	128,580	161,587	156,048	177,687
2	Current assets				
	(a) Inventories	19,945	30,090	24,446	36,446
	(b) Trade receivables	52,331	49,803	24,060	32,921
	(c) Cash and cash equivalents	2,292	3,131	3,064	5,819
	(d) Short-term loans and advances	5,927	5,879	21,911	22,368
	(e) Other Current assets	10,963	9,646	5,565	7,367
	Sub-total - Current assets	91,458	98,549	79,046	104,921
	TOTAL - ASSETS	220,038	260,136	235,094	282,608

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in Lacs)

Particulars	For the year from 01.01.2015 to 31.03.2016 (15 Months) (Audited)	For the year from 01.01.2014 to 31.12.2014 (12 Months) (Audited)
Segment Revenue		
(Net Sale/Income)		
a. Storage Media Products	79,576	105,447
b. Solar Products	21,031	23,916
c. Others	15,855	7,251
Total	116,462	136,614
Less : Inter Segment Revenue	26,681	19,771
Net Sales /Income From Operations	89,781	116,843
Segment Results		
(Profit / (Loss) before tax and interest)		
a. Storage Media Products	(17,583)	(29,627)
b. Solar Products	(14,589)	(13,063)
c. Others	(2,365)	(5,349)
Total	(34,537)	(48,039)
Less :(i) Interest expenses (net of interest/ dividend income)	56,987	41,100
(ii) Other Un-allocable corporate expenditure/ (income) (net)	(241)	4,814
Total (Loss) Before Tax	(91,283)	(93,953)
Capital Employed		
(Segment assets - Segment Liabilities)		
a. Storage Media Products	59,238	85,278
b. Solar Products	106,898	123,817
c. Others	3,973	2,902
Total	170,109	211,997
Unallocated Assets/ (Liabilities)	(543,678)	(478,120)
Total Capital Employed	(373,569)	(266,123)

Notes to the results:

1. The exceptional items for fifteen months period ended 31 March 2016 ("period") pertains to exchange loss of Rs. 2,847 lacs on account of foreign currency convertible bond's liability and Rs. 4,427 lacs provision against net receivable, provision for other than temporary diminution amounting to Rs. 14,933 lacs in investment, Rs. 3,110 lacs provision against net realizable value adjustment for inventory. (Previous year ended 31 December 2014, exchange loss of Rs. 1,071 lacs on account of foreign currency convertible bond's liability, Rs 11,749 lacs for the provision against doubtful debt of subsidiary and associate company, Rs 8,776 lacs for other than temporary diminution in long term investment of subsidiaries companies and Rs 2,897 lacs one-time provision against net realizable value adjustment for inventory).

2. The Company has incurred a loss of Rs 70,365 lacs during the period ended 31 March 2016 (previous year ended 31 December 2014 Rs 70,829 lacs), and, as of that date, the Company's accumulated losses amounts to Rs. 236,050 lacs (previous year ended 31 December 2014 Rs. 164,571 lacs) and it has negative net worth of Rs. 172,530 lacs (previous year ended 31 December 2014 Rs. 91,392 lacs). Further, as on 31 March 2016, the Company's current liabilities exceeded its current assets by Rs. 219,859 lacs (previous year ended 31 December 2014 Rs. 148,777 lacs).

   The Company has outstanding foreign currency convertible bonds (FCCBs) with principal value of USD 88,400,000 equivalent to Rs 58,574 lacs (previous year ended 31 December 2014 USD 88,500,000 equivalent to Rs 55,790 lacs) which were due for redemption along with premium on 21 June 2012. As at 31 March 2016, accrual for premium on FCCB aggregates Rs 49,839 lacs. The company is in the process of negotiation with the bondholders to re-structure the terms of these bonds; these negotiations have progressed and the Company has applied to the RBI for requisite approvals.

   Due to continued liquidity issues primarily resulting from non-release of sanctioned working capital limits and refunds due to the company, the Company has been unable to comply with repayment terms of its borrowing arrangement with secured lenders as agreed in the Corporate Debt Restructuring package approved in year ended 31 March 2013. The Company has received debt recall and other notices from certain consortium lender banks for their respective share of debt. Meanwhile, the Company has approached the lender consortium for a revised debt restructuring plan. The revised debt restructuring plan submitted by the Company includes deferment of debt and interest repayment, disposal of surplus assets and infusion of fresh capital by the promoters. The banks instituted a TEV study to be conducted by an expert appointed by bank who has since submitted its report to the lenders. In a recent meeting, the lenders have indicated their inability to accept the TEV and have indicated their intention to exit from the CDR and initiate legal proceedings against the company subject to approval of their competent authorities. The company continues to engage with management of banks both on TEV study and restructuring proposal. The final response of the banks is awaited. Meanwhile the banks have allowed continue to operate through TRA with 6% tagging. On 30 March 2016, 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 has been operating at suboptimal levels due to working capital constraints, resulting in adverse impact on cash flow from operations in the current quarter as well as earlier quarters. With restoration of OEM optical media business, generation of funds through sale of surplus assets and promoter contribution, accompanied by restructuring of debt from banks, the company expects to achieve better utilization of its manufacturing facilities and consequently, generate positive cash flow from operations.

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, considering management's plans relating to restructuring of debt, FCCBs, infusion of capital, generation of funds through sale of surplus assets and expected improvement in the operating activities, management expects to generating positive cash flow from operations and accordingly, these results have been prepared on a going concern basis.

3. Management performed a detailed impairment assessment (using an independent valuer) as at 31 March 2016 for its investments in and advances/other receivables from certain subsidiaries, viz. Moser Baer Solar Limited, Photovoltaic Holdings Limited, Moser Baer Investments Limited and Moser Baer Entertainment Limited to determine if there is any other than temporary diminution in the values of these investments and if outstanding advances or other receivables are recoverable. Material estimates and judgments used in such assessment are related to future business projections which, amongst other factors, are dependent on the acceptance of revised restructuring with lender banks, ramping up operations with adequate advance from customers, external market conditions of the solar market and regulatory benefits. Basis the assessment, management has concluded no impairment is required in carrying value of the investments, advances/ other receivables from these aforementioned subsidiaries as at 31 March 2016 aggregating to Rs. 73,125 lacs.

4. Pursuant to ongoing discussions with lender banks in case of Helios Photovoltaic Limited ("HPVL") and its recent exit from CDR scheme, management of Moser Baer India Limited ("MBIL") has recorded an other than temporary provision in carrying value of investment and receivables of HPVL during the period as follows:

Amount (Rs. In Lacs)

Particulars	**Quarter ended 30 June 2015**	**Quarter ended 30 September 2015**	**Quarter ended 31 December 2015**	**Quarter ended 31 March 2016**
Provision for doubtful debtors	-	3,240	127	805
Provision for diminution in value of Investment	574	12,951	-	-
Total	**574**	**16,191**	**127**	**805**

Additional Notes for Consolidated Results:

5. The Group is operating in Storage Media Products and Solar Products segments. Accordingly, segment information has been given which is in line with the requirement of AS-17 "Segment Reporting". The Consolidated financial statement has been furnished to provide information about the overall business of the Company, its subsidiaries and associates.

6. During the financial year ended 31 March 2013, Secured Lenders (Banks) had approved the restructuring package under "Corporate Debt Restructuring Package" (CDR) of one of the subsidiary company, Helios

Photovoltaic Limited ("HPVL"). The CDR was not fully implemented and the subsidiary company was unable to service the repayments/ payments of loan/ interest in accordance with CDR which resulted in the subsidiary Company's debt becoming non-performing assets with all the banks.

Consequently, the Monitoring Institution of the CDR made a recommendation to the CDR Empowered Group along with approval of majority secured lenders to seek exit of subsidiary company's account from CDR and on 30 November 2015 CDR EG approved this exit. Subsequent to approval of exit by CDR EG, majority of lender banks have issued notices to subsidiary company recalling their debt. Pursuant to exit from CDR, the group has classified debt from non-current bank 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 communication from these lenders bank, the group has not been able to determine the impact of exit from CDR on the carrying value of debt and interest payable thereon.

7. One of the subsidiary companies entered into a long term Wafer Supply Agreement on 01 April 2008 (WSA) with Jiangxi LDK Solar Hi-Tech Co [LDK] and in pursuance, the subsidiary paid an advance of USD 48.89 Million in accordance with the terms of the WSA (Advance Payment). LDK issued Bank Guarantee dated 07 May 2008 of China Merchant Bank (CMB) as security for advance paid by subsidiary. The Agreement was further amended by an Amendment Agreement dated 10 January 2011 (AA).

As per the terms of AA, remaining advance of USD 34.6 Million (out of USD 48.89 million), 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 26 September 2013.

As a result of the termination, LDK was demanded to refund the balance of the advance payment i.e. USD 34.6 Million. As LDK failed to refund the Advance Payment, Subsidiary made a demand under the bank guarantee provided by CMB on 22 October 2013. However, LDK obtained a freezing order before the Xinyu Intermediate People's Court on 6 November 2013, which prevented CMB from making payment under the Bank Guarantee.

Aggrieved by such order, the Subsidiary initiated arbitration before Hongkong 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 18 January 2016 to 22 January 2016.

Based on the opinion of external legal counsel, management has made an additional provision of USD 4.5 million (Rs. 2,970 lacs) towards liability for 2.2 million wafers shipped by the vendor in consolidated financial statements during the current period, in addition to the previous provision for 5% of the unexecuted contract value (for purchase shortfalls from committed purchases as per AA) up to the date of termination. Based on the legal appraisal, management believes that the balance amount of USD 26.82 million (Rs. 17,766 lacs) as of 31 March 2016 is recoverable.

8. The Group has incurred a loss of Rs 97,501 lacs during the period ended 31 March 2016 (previous year Rs. 93,954 lacs), and, as of that date, the Group's accumulated losses amounts to Rs. 520,339 lacs (previous year Rs. 421,987 lacs) and it has negative net worth of Rs. 373,570 lacs (previous year Rs. 266,123 lacs). Further, as of 31 March 2016, the Group's current liabilities exceeded its current assets by Rs. 397,225 lacs (previous year Rs. 212,958 lacs).

   In respect of the company, basis for preparation of accounts using going concern assumption has already been explained in the note 2 above.

   In respect of Helios Photovoltaic Limited (HPVL) one of the subsidiary of the company as mentioned in note 6 to the results the lenders banks have exited from CDR and have issued notices to subsidiary company recalling their debt. The management is in discussion with lender banks for restructuring of debts. The management has also taken an expert opinion from a leading law firm about the options available to the banks and the possible legal defenses available to the company.

   In respect of another subsidiary company MBSL, due to continued liquidity issues primarily resulting from non-release of sanctioned working capital limits and refunds due to the subsidiary company, it is unable to comply with repayment terms of its borrowing arrangements with secured lenders as agreed in the Corporate Debt Restructuring packages approved in year ended 31 March 2013. MBSL has now approached these lenders for a revised debt restructuring plan. The MI of MBSL instituted a TEV study to be conducted by an independent expert who has submitted their report to the respective lenders. The TEV study is under consideration excluding independent of the capital subsidy under Special Incentive Package Scheme.

   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 quarter as well as earlier quarters. With restoration of OEM optical media business, generation of funds through sale of surplus assets and promoter contribution, accompanied by restructuring of debt from banks, the group expects to achieve better utilization of its manufacturing facilities and consequently, generate positive cash flow from operations. Further, the group also expects release of capital subsidies under Special Incentive Package Scheme (SIPS) in MBSL and HPVL and also expects significant supportive measures by government for Solar energy sector in 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, considering recent developments, inter-alia, progress made in the review of plan and further management's plans relating to restructuring of debt, FCCBs, infusion of capital, generation of funds through sale of surplus assets, legal opinion of expert in respect of HPVL as referred above and expected improvement in the operating activities, and receipt of capital subsidy (SIPS) management expects to generating positive cash flow from operations and accordingly, these results have been prepared on a going concern basis.

9. As of 31 March 2016, the management performed detailed impairment assessments of carrying value of fixed assets for all of its operating subsidiary companies based on business valuation. Such assessments are based on recoverable value of assets determined using Value in use method and are therefore dependent upon future outcome of certain matters such as negotiation with the lenders banks for debt

restructuring, recovery of SIPS, recovery of advance under litigation and revival of operations. In case of one of the subsidiary of the Company, HPVL, the lenders banks have exited from the CDR scheme as described in note 6 and 8.

HPVL has submitted the revival plan to the banks and their responses are awaited. Pending finalization of the revival plan, no further impairment in the carrying value of the fixed assets is made. Carrying value of fixed assets of HPVL as at 31 March 2016 is Rs. 24,075 lacs.

10. The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 25 May 2016.

11. Amount for the quarter ended 31 March 2016 represents the balancing amount between the audited amounts for the fifteen months financial year and the published year to date amounts up to the fourth quarter of the fifteen months financial year.

12. The Company had changed its financial year from 31 December to 31 March and prepared accounts for 15 months, whereas previous financial year consisted of 12 months period. Accordingly, current financial period figures are not comparable with those of the previous year.

13. Figures of the previous periods/ year have been regrouped and rearranged wherever necessary, to make them comparable.

For and on behalf of the Board of Directors of

Moser Baer India Limited

Place: New Delhi **DEEPAK PURI**

Date: 25 May 2016 **Chairman and Managing Director**