

MOSER BAER INDIA LIMITED
BALANCE SHEET AS AT MARCH 31, 2012

(All amounts in rupees unless otherwise stated)

	Notes	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	4	1,683,061,040	1,683,061,040
Reserves and surplus	5	7,005,324,859	10,928,375,364
		<u>8,688,385,899</u>	<u>12,611,436,404</u>
Non current Liabilities			
Long term borrowings	6	3,862,386,342	10,871,912,048
Other Long Term liabilities	7	1,793,208,098	1,818,755,682
Long term provisions	8	199,287,049	1,222,271,779
Foreign currency monetary items translation difference account		-	32,392,554
		<u>5,854,881,489</u>	<u>13,945,332,063</u>
Current Liabilities			
Short term borrowings	9	8,706,200,440	6,818,373,661
Trade payables	10	3,290,929,990	3,840,208,870
Other current liabilities	11	10,095,626,812	5,177,193,335
Short term provisions	12	2,232,111,183	459,156,074
		<u>24,324,868,425</u>	<u>16,294,931,940</u>
		<u>38,868,135,813</u>	<u>42,851,700,407</u>
ASSETS			
Non current assets			
Fixed Assets			
(a) Tangible assets	13	12,254,607,229	14,936,656,251
(b) Intangible assets	13	85,603,087	67,675,225
(c) Capital work in progress		46,611,684	424,364,481
(d) Intangible assets under development		92,648,334	158,318
Non current investments	14	7,009,248,108	7,008,748,108
Foreign currency monetary items translation difference account		97,508,432	-
Long term loans and advances	15	1,521,072,678	1,546,420,230
Other non current assets	16	3,446,172,986	4,225,616,992
		<u>24,553,472,538</u>	<u>28,209,639,605</u>
Current Assets			
Inventories	17	5,593,935,542	6,498,335,677
Trade Receivables	18	7,287,969,238	6,286,079,147
Cash and Bank Balances	19	370,051,004	783,277,139
Short term loans and advances	20	508,329,808	666,066,867
Other current assets	21	554,377,683	408,301,972
		<u>14,314,663,275</u>	<u>14,642,060,802</u>
		<u>38,868,135,813</u>	<u>42,851,700,407</u>

The accompanying notes from 1 to 47 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
Chartered Accountants

per David Jones
Partner

Place: New Delhi
Date: November 9, 2012

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

Deepak Puri
Chairman and
Managing Director

Nita Puri
Director

Yogesh Mathur
Group CFO

Minni Katariya
Head Legal and
Company Secretary

MOSER BAER INDIA LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees unless otherwise stated)

	Notes	Year Ended March 31, 2012	Year Ended March 31, 2011
Revenue			
Revenue from operations (gross)	22	21,393,620,674	19,183,249,589
Less: Excise duty		572,312,131	564,050,191
Revenue from operations (net)		20,821,308,543	18,619,199,398
Other income	23	461,648,445	492,110,626
Total revenue		21,282,956,988	19,111,310,024
Expenses			
Cost of materials consumed	24	10,219,762,870	10,048,927,951
Purchases of Stock-in-Trade	25	68,081,885	323,166,422
Change in stock of finished goods, stock in trade and work in progress	26	886,843,542	(286,965,871)
Employee benefits expense	27	1,797,352,156	1,893,380,770
Depreciation, amortization and impairment	28	3,395,043,904	3,839,196,223
Amortisation of foreign currency monetary item translation difference account		363,121,552	16,644,292
Finance costs	29	2,390,009,342	1,902,572,051
Other expenses	30	5,356,973,690	5,347,235,255
Total expenses		24,477,188,941	23,084,157,093
(Loss) before exceptional items and tax		(3,194,231,953)	(3,972,847,069)
Exceptional items - provision for dimunition in long term investments		-	(34,300,000)
(Loss) before tax		(3,194,231,953)	(4,007,147,069)
Tax expense:			
-Current tax	34	-	-
-Deferred tax	34	-	-
(Loss) for the year		(3,194,231,953)	(4,007,147,069)
(Loss) per equity share (refer note 39):			
-Basic		(18.98)	(23.81)
-Diluted		(18.98)	(23.81)

The accompanying notes from 1 to 47 are an integral part of these financial statements
This is the Statement of Profit and Loss referred to in our report of even date.

For Walker, Chandio & Co
Chartered Accountants

per David Jones
Partner

Place: New Delhi
Date: November 9, 2012

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

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Director

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Head Legal and
Company Secretary

MOSER BAER INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees unless otherwise stated)

	Notes	Year ended March 31, 2012	Year ended March 31, 2011
Cash flow from operating activities:			
Net loss before income tax		(3,194,231,953)	(4,007,147,069)
Adjustments to reconcile net loss to net cash provided by / (used in) operating activities:			
Depreciation, amortisation and impairment		3,395,043,904	3,839,196,223
Amortisation of foreign currency monetary items translation difference account		363,121,552	16,644,292
Profit/(Loss) on sale of fixed assets		(5,843,189)	(72,373,119)
Unrealised foreign exchange gain/ (loss)		36,273,261	(61,761,503)
Finance costs		2,390,009,342	2,191,641,049
Interest Income		(260,737,921)	(289,068,998)
Provision for employee benefits		(4,998,957)	93,899,370
Old liabilities and provisions no longer required written back		(132,596,309)	(92,282,509)
Provision for warranty		(9,299,046)	(22,922,495)
Debts/Advances written off		81,668	61,779
Provision for doubtful debts/ advances		-	108,589,804
Provision for Other Probable Obligation		35,449,829	48,642,050
Provision for slow moving stock		5,514,544	9,633,974
Exceptional items (net)		-	34,300,000
Operating Profit before working capital changes		2,617,786,725	1,797,052,848
Changes in Working Capital:			
(Increase)/decrease in inventories		898,885,590	(367,296,300)
(Increase) in trade receivables		(775,456,421)	(54,730,027)
Decrease in loans and advances and other assets		870,534,693	341,442,519
(Decrease) in trade payables		(591,196,737)	(146,404,358)
Cash generated from operating activities		3,020,553,850	1,570,064,682
Income tax (paid)/refund (net of tax deducted at source)		(4,170,298)	440,265,685
Net cash generated from operating activities	A	3,016,383,552	2,010,330,367
Cash flow from investing activities:			
Purchase of fixed assets/ additions to capital work in progress		(520,104,661)	(1,108,536,114)
Proceeds from sale of fixed assets		92,926,404	144,215,294
Receipt of government grant		-	35,000,000
Investment in subsidiary companies		(500,000)	(1,631,226,600)
Proceeds from redemption of Investment in a Subsidiary Company		-	581,267,997
Repayment of loan given to subsidiaries		(88,540,037)	190,461,749
Net proceeds from fixed deposits		63,685,758	(182,849,308)
Interest received		185,872,818	(93,029,889)
Net cash / (used in) investing activities	B	(266,659,718)	(2,064,696,871)

MOSER BAER INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees unless otherwise stated)

	Notes	Year ended March 31, 2012	Year ended March 31, 2011
Cash flow from financing activities:			
Repayment of long term borrowings		(2,701,601,994)	(6,633,914,239)
Proceeds from Long term borrowings		–	5,749,900,000
Net proceeds from short term borrowings		1,768,348,375	1,242,695,206
Finance costs paid		(2,165,265,312)	(1,889,769,700)
Dividend paid for earlier years		(745,280)	(100,782,945)
Dividend distribution tax paid		–	(16,772,124)
Net cash (used in) financing activities	C	(3,099,264,211)	(1,648,643,802)
Net (decrease) in cash and cash equivalents	A + B + C	(349,540,377)	(1,703,010,306)
Cash and cash equivalents at beginning of the year		596,203,636	2,299,213,942
Cash and cash equivalents at end of the year		246,663,259	596,203,636
		(349,540,377)	(1,703,010,306)

Notes :

1. The above Cash Flow Statement has been prepared under the indirect method set out in AS-3 notified under sub-section 3C of Section 211 of the Companies Act, 1956.
2. Figures in brackets indicate cash outflow.
3. Corresponding figures for the Previous Year have been regrouped and recast wherever necessary to conform to the current year's classification.

The accompanying notes from 1 to 47 are an integral part of these financial statements

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

For Walker, Chandio & Co
Chartered Accountants

per David Jones
Partner

Place: New Delhi
Date: November 9, 2012

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

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Chairman and
Managing Director

Yogesh Mathur
Group CFO

Nita Puri
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Head Legal and
Company Secretary

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

1 Basis of preparation

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

2 Use of estimates

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

3 Significant accounting policies

(a) Revenue recognition

(i) *Revenue from sale of goods*

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

(ii) *Revenue from sale of services*

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

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

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

(iii) *Other income*

Interest is accounted for based on a time proportion basis taking into account the amount invested and the underlying rate of interest.

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

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

(b) Fixed assets

(i) *Tangible assets*

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes all expenses, direct and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use.

Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated/ capitalized 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 capitalized where the right allows the company to obtain a future economic benefit from use of such know how.

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

Further, expenditure incurred on knowhow yielding future economic benefits is recognized 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.

(c) Depreciation and amortisation

(i) *Tangible assets*

Depreciation on tangible fixed assets is provided under straight-line method at rates specified in Schedule XIV to the Companies Act, 1956, being representative of the useful lives of tangible fixed assets. Leasehold improvements are being amortised over the primary lease period or useful lives of related fixed assets whichever is shorter.

Depreciation on additions is being provided on pro-rata basis from the date of such additions. Similarly, depreciation on assets sold/disposed off during the period is being provided up to the date on which such assets are sold/disposed off. All assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

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

(ii) *Intangible assets*

Intangible assets are being amortized 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) Research and development costs

Revenue expenditure on research is expensed off under the respective heads of account in the year in which it is incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use and sell the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the statement of profit and loss as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation. Fixed assets used for research and development are depreciated in accordance with the Company's policy on fixed assets as stated above.

(e) Investments

Long term investments are stated at cost of acquisition inclusive of expenditure incidental to acquisition. A provision for diminution is made to recognise a decline, other than temporary in the value of long term investments.

Current investments are stated at lower of cost and fair value determined on an individual basis.

(f) Inventories

(i) *Inventories are valued as under:*

Inventories are stated at lower of cost and net realizable 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.

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

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.

(g) Government grants

Grants in the nature of contribution towards capital cost of setting up projects are treated as capital reserve and grants in respect of specific fixed assets are adjusted from the cost of the related fixed assets.

(h) Borrowing costs

Borrowing costs directly attributable to acquisition, construction or erection of fixed assets, which necessarily take a substantial period of time (generally 12 months or more) to be ready for the intended use, are capitalized. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete. Other borrowing costs are recognised as an expense in the statement of profit and loss in the year in which they are incurred.

(i) Employee benefits

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

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

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

- (ii) *Gratuity*

Gratuity is a post employment benefit and is in the nature of defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses. Gratuity Fund is administered through Life Insurance Corporation of India. The defined benefit obligation is calculated at the balance sheet date on the basis of actuarial valuation by an independent actuary using projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

- (iii) *Unavailed leaves*

The Company also provides benefit of compensated absences to its employees which are in the nature of long term benefit plan. The compensated absences comprises of vesting as well as non vesting benefit. Liability in respect of compensated absences becoming due and expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

- (iv) *Other benefits*

Liability for long term employee retention schemes is determined on the basis of actuarial valuation at the year end. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the statement of profit and loss as income or expense.

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

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.

(j) Foreign currency transactions

(i) *Initial recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) *Subsequent recognition*

Foreign currency monetary assets and liabilities are reported using the closing rate as at the reporting date.

Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) *Exchange differences*

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or expense in the year in which they arise, except for exchange differences arising on foreign currency monetary items.

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

(k) Derivative instruments

The Company uses foreign exchange forward contracts to hedge its exposure towards underlying assets or liability or for highly probable and forecasted transactions. These foreign exchange forward contracts are not used for trading or speculation purposes.

(i) *Forward contracts where an underlying asset or liability exists*

In such case, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.

(ii) *Forward contracts taken for highly probable/ forecast transactions*

Such forward exchange contracts are marked to market at the balance sheet date if such mark to market results in exchange loss such exchange loss is recognised in the statement of profit and loss immediately. Any gain is ignored and not recognised in the financial statements in accordance with the principles of prudence enunciated in Accounting Standard 1- Disclosure of Accounting Policies notified under the Companies Act, 1956.

Profit or loss arising on cancellation or renewal of a forward contract is recognised as income or expense in the year in which such cancellation or renewal is made.

(l) Taxation

Tax expense comprises current tax and deferred tax.

Current tax

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

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

Deferred tax

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

Further, deferred tax asset appearing in books is reviewed at each reporting date and is written down to the extent it is not certain that the Company will pay taxes on future incomes against which such deferred tax asset may be adjusted.

(m) Leases

(i) *Finance lease*

Assets given under finance leases are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant periodic rate of return on the outstanding net investment in respect of the finance lease.

(ii) *Operating lease*

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as 'Operating Leases'. Lease rentals in respect of assets taken under operating leases are charged to the statement of profit and loss on a straight line basis over the term of lease.

(n) Stock option plans

Stock options grants to the employees and to the non-executive Directors who accepted the grant under the Company's Stock Option Plan are accounted in accordance with Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999. The Company follows the intrinsic value method and accordingly, the excess, if any, of the market price of the underlying equity shares as of the date of the grant of the option over the exercise price of the option, is recognised as employee compensation cost and amortised on a straight line basis over the vesting period.

(o) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. Where there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased, the Company books a reversal of the impairment loss not exceeding the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior accounting periods.

(p) Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- present obligation, where a reliable estimate cannot be made.

Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

(q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, except where results would be anti-dilutive.

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

4 Share capital

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	Amount	Number	Amount
Authorised				
Equity shares of ₹ 10 each	300,000,000	3,000,000,000	262,500,000	2,625,000,000
Preference shares of ₹ 100 each	-	-	750,000	75,000,000
Issued				
Equity shares of ₹ 10 each	168,306,104	1,683,061,040	168,306,104	1,683,061,040
Subscribed & fully paid up				
Equity shares of ₹ 10 each fully paid up	168,306,104	1,683,061,040	168,306,104	1,683,061,040
Total	168,306,104	1,683,061,040	168,306,104	1,683,061,040

(A) Term and rights attached to equity shares:

The Company has one class of equity shares having par value of ₹ 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.

750,000 Preference shares of ₹ 100 each have been cancelled during the year and reclassified into equity share of ₹ 10 each. Further, the authorised share capital of the Company has been increased during the year vide shareholders resolution passed in the annual general meeting of the company held on September 29, 2011

(B) Shares allotted as fully paid up by way of bonus shares during the current reporting period and 5 years immediately preceding current reporting period:

(No. of Shares)

Particulars	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Equity shares allotted as fully paid up bonus shares by capitalization of general reserve.	-	-	-	25,000	56,077,035	-

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

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	168,306,104	1,683,061,040	168,306,104	1,683,061,040
Add : Shares issued during the year	-	-	-	-
Less : Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	168,306,104	1,683,061,040	168,306,104	1,683,061,040

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

Name of shareholder	As at March 31, 2012		As at March 31, 2011	
	No. of shares held	% of holding	No. of shares held	% of holding
Woodgreen Investments Ltd.	22,050,000	13.1	22,050,000	13.1
Ratul Puri	16,143,753	9.6	16,143,753	9.6
International Finance Corporation	15,076,791	9.0	15,076,791	9.0
Electra Partners Maritius Ltd.	9,960,345	5.9	9,960,345	5.9
Ealing Investments Ltd.	9,600,000	5.7	9,600,000	5.7
Bloom Investments Ltd.	9,600,000	5.7	9,600,000	5.7
Randall Investments Ltd.	9,600,000	5.7	9,600,000	5.7

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

(E) Stock option plans

The Company has two Stock Option Plans:

(a) Employee Stock Option Plan-2004 & Director's Stock Option Plan-2005

The Company has granted options to its non-executive directors and employees of the Company and its subsidiaries, to be settled through issue of equity shares.

The Options granted vest over a period of maximum of four years from the date of grant.

In case of Employee Stock Option Plan-2004, the exercise price shall be as follows:-

- (i) Normal allocation:- ₹ 125 per option or prevailing market price, whichever is higher.
- (ii) Special allocation:- 50% of the options at ₹ 125 per option or prevailing market price, whichever is higher and the balance 50% of the options at ₹ 170 per option or prevailing market price, whichever is higher.

In case of Directors' Stock Option Plan, the exercise price shall be ₹ 170 per option or prevailing market price, whichever is higher."

Two options granted before the record date under the above plans entitles the holder to three equity shares of the Company.

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

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
	Number	Weighted Average Price (₹)	Number	Weighted Average Price (₹)
Options outstanding at beginning of year	1,588,435	246.22	1,795,785	242.78
Add: Options Granted	–	–	–	–
Less: Options Exercised	–	–	–	–
Less: Options Cancelled	140,005	189.97	54,900	134.05
Less: Options Lapsed	214,480	218.66	152,450	239.64
Options outstanding at the end of year	1,233,950	257.39	1,588,435	246.22
Option exercisable at the end of year	1,090,646	271.01	1,211,283	256.61

The options outstanding at the end of year had exercise prices in the range of ₹ 125 to ₹ 491.90 (previous year ₹ 125 to ₹ 491.90) and a weighted average remaining contractual life of 0.79 years (previous year 1.39 years).

(b) Employee Stock Option Plan-2009

The Company established a stock option plan called " Moser Baer India Limited Stock Option Plan 2009". The plan was setup to offer and grant stock options, in one or more tranches, to employees and directors of the Company as the compensation committee of the Company may determine. The granted options shall be settled through issue of equity shares. The exercise price shall be as follows:-

- (i) Normal allocation:- Market price on the date of grant
- (ii) Special allocation:- 50% of the options at ₹ 125 per option or prevailing market price, whichever is higher and the balance 50% of the options at ₹ 170 per option or prevailing market price, whichever is higher.

All options, whether vested or unvested, granted to grantee shall in any case expire after a period of seven years from the offer date.

During the current year, the Company has issued Nil (previous year 497,600) options to eligible employees. The vesting period for the option granted varies from 12 to 48 months from the date of the grant. No options have been exercised during the year.

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

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

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
	Number	Weighted Average Price (₹)	Number	Weighted Average Price (₹)
Options outstanding at beginning of year	2,588,740	76.86	2,526,210	79.63
Add: Options Granted	–	–	497,600	63.26
Less: Options Exercised	–	–	–	–
Less: Options Cancelled	507,536	77.02	435,070	77.39
Less: Options Lapsed	–	–	–	–
Options outstanding at the end of year	2,081,204	76.82	2,588,740	76.86
Option exercisable at the end of year	759,974	78.45	430,708	79.77

The options outstanding at the end of year had exercise prices in the range of ₹ 46.30 to ₹ 170.00 (Previous Year ₹ 46.30 to ₹ 170.00) and a weighted average remaining contractual life of 2.05 years (Previous Year 3.04 years).

(c) The impact on the loss of the Company for the year ended March 31, 2012 and the basic and diluted earnings per share had the Company followed the fair value method of accounting for stock options is set out below:

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
(Loss) after tax as per Statement of Profit and Loss (a)	(3,194,231,953)	(4,007,147,069)
Add: Employee stock compensation expenses as per intrinsic value method	–	–
Less: Employee stock compensation expenses as per fair value method	(17,054,378)	35,009,489
(Loss) after tax recomputed for recognition of employee stock compensation expenses under fair value method (b)	(3,177,177,575)	(4,042,156,558)
(Loss) per share based on earning as per (a) above:		
-Basic	(18.98)	(23.81)
-Diluted	(18.98)	(23.81)
(Loss) per share had fair value method been employed for accounting of employee stock options as per (b) above:		
-Basic	(18.88)	(24.02)
-Diluted	(18.88)	(24.02)

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

(d) The following assumptions were used for calculation of fair value of grants:

(i) Moser Baer Employees Stock Option Plan(ESOP) 2004 and Director's Stock Option Plan (DSOP) 2005*

* No options granted during the year.

(ii) Moser Baer India Limited Stock Option Plan 2009

Options	For the year ended March 31, 2012	For the year ended March 31, 2011
Dividend Yield (%)	–	0.58
Expected Volatility (%)	–	56.35 to 63.20
Risk-free interest rate (%)	–	7.48 to 8.12
Expected term (in years)	–	4.00 to 5.50
Fair value of options as at the grant date	–	₹ 24.61 to ₹38.02

The fair value of each stock option granted under employees stock option plan 2004 and directors stock option plan 2005 and Moser Baer India Limited Stock Option Plan 2009 as on the date of grant has been computed using black- scholes option pricing formula.

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

5 Reserves and surplus

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Capital reserves		
Opening balance	181,440,000	181,440,000
Add: Additions during the year	-	-
Less: Written back in current year	-	-
Closing balance	181,440,000	181,440,000
(b) Securities premium account		
Opening balance	7,868,559,355	8,170,237,602
Less :Premium on redemption of foreign currency convertible bonds	728,818,552	301,678,247
Closing balance	7,139,740,803	7,868,559,355
(c) General reserve		
Opening balance	2,878,376,009	6,885,523,078
Add: Transfer from statement of profit and loss	(2,878,376,009)	(4,007,147,069)
Closing balance	-	2,878,376,009
(d) Surplus as per statement of profit and loss		
Opening balance	-	-
Add: (Net loss) for the year	(3,194,231,953)	(4,007,147,069)
Less : Transfer to general reserve	(2,878,376,009)	(4,007,147,069)
Closing balance	(315,855,944)	-
Total	7,005,324,859	10,928,375,364

6 Long term borrowings

Particulars	As at March 31, 2012	As at March 31, 2011
<u>Secured</u>		
Term loans (Secured by first pari passu charge on fixed assets)		
(a) From banks		
-Rupee loan	3,862,386,342	6,774,884,739
(b) From others		
-Rupee loan	-	92,323,072
-Foreign currency loan	-	57,161,737
	3,862,386,342	6,924,369,548
<u>Unsecured</u>		
Foreign currency convertible bonds*		
-6.1% p.a. semi-annual Zero Coupon Tranche A Convertible Bonds	-	2,024,797,500
-6.75% p.a. semi-annual Zero Coupon Tranche B Convertible Bonds	-	1,922,745,000
	-	3,947,542,500
Total	3,862,386,342	10,871,912,048

*reclassified under other current liabilities as at March 2012 in note 11.

(Refer note 45 for defaults in repayment of long term borrowings)

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

Note

(i) Secured loans

(a) Nature of Security and terms of repayment for secured borrowings:

Name of Bank	Loan outstanding		Terms of repayment (refer note (b) below)
	As at March 31, 2012	As at March 31, 2011	
Bank of Baroda	500,000,000	500,000,000	Loan repayable in June 2013 after a moratorium of 36 months.
Exim-WCTL	138,461,539	276,923,078	Loan repayable in 13 quarterly installments effective from September 2009 after a moratorium of 24 months.
Punjab National Bank	1,166,666,666	1,833,333,333	Loan repayable in 12 quarterly installments effective from December 2010 after a moratorium of 01 months.
State Bank of Bikaner and Jaipur	24,994,871	62,494,871	Loan repayable in 20 quarterly installments effective from September 2007 after a moratorium of 12 months.
State Bank of Bikaner and Jaipur	875,000,000	1,000,000,000	Loan repayable in 08 quarterly installments effective from November 2011 after a moratorium of 12 months.
State Bank of Hyderabad	375,000,000	500,000,000	Loan repayable in 04 quarterly installments effective from December 2011 after a moratorium of 24 months.
State Bank of Indore	125,000,000	500,000,000	Loan repayable in 04 quarterly installments effective from June 2011.
State Bank of Patiala	750,000,000	1,000,000,000	Loan repayable in 04 quarterly installments effective from November 2011 after a moratorium of 24 months.
State Bank of Patiala	1,250,000,000	1,250,000,000	Loan repayable in 12 quarterly installments effective from February 2013 after a moratorium of 24 months.
Syndicate Bank	375,000,000	450,000,000	Loan repayable in 18 quarterly installments effective from December 2010.
The J&K Bank	18,750,000	75,000,000	Loan repayable in 16 quarterly installments effective from May 2008 after moratorium of 12 months.
UCO Bank	500,000,000	500,000,000	Loan repayable in 1 installment effective from March 2012 after moratorium of 24 months.
UCO Bank	125,000,000	312,500,000	Loan repayable in 08 quarterly installments effective from August 2010 after moratorium of 36 months.
UCO Bank	-	65,875,643	Loan repayable in 20 quarterly installments effective from December 2006.
Union Bank of India	273,474,188	500,000,000	Loan repayable in 10 quarterly installments effective from March 2010 after moratorium of 06 months.
Central Bank Of India	1,000,000,000	1,000,000,000	Loan repayable in 02 installments in October 2012 and October 2014 respectively.
Central Bank Of India	999,900,000	999,900,000	Loan repayable in 12 quarterly installments effective from December 2012 after moratorium of 24 months.
Exim Bank FC Loan	97,827,433	171,491,737	Loan repayable in 16 quarterly installments effective from September 2008 after moratorium of 24 months.
Bank of Maharashtra	-	125,000,000	Loan repayable in 4 yearly installments effective from September 2008.
Oriental Bank of Commerce	-	62,150,867	Loan repayable in 20 quarterly installments effective from November 2006.
United Bank Of India	-	50,000,000	Loan repayable in 20 quarterly installments effective from September 2006
State Bank of Patiala	-	47,596,039	Loan repayable in 20 quarterly installments effective from September 2006.
Total	8,595,074,696	11,282,265,567	
Less : Current portion of long term debts	4,732,688,354	4,357,896,019	
Net long term borrowings	3,862,386,342	6,924,369,548	

b) Corporate debt restructuring scheme

During the year the Company applied for Corporate debt restructuring (CDR) to re-structure its existing debt obligations. 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 their meeting held on November 09, 2012 approved the terms

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

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, since the execution of the Master Restructuring Agreement (MRA) by all the lenders is pending and the Company is in the process of complying with the conditions precedent to the implementation of the CDR Scheme.

(c) Interest rates

- Interest rate on long term loan varies from 12% to 16.50% p.a.
- Interest rate on foreign currency loan is 5.50% p.a.

(ii) Unsecured loans

Terms of repayment for unsecured borrowings:

Name of Bank	Loan outstanding		Terms of repayment
	As at March 31, 2012	As at March 31, 2011	
Foreign currency convertible bonds	-	3,947,542,500	Due for redemption on June 21, 2012*

* The Company's foreign currency convertible bonds (FCCBs) having face value of ₹ 45,038 lacs (equivalent to USD 88.5 million) were due for redemption on June 21, 2012, along with the premium on redemption of ₹ 17,931 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 up to 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.

7 Other long term liabilities

Particulars	As at March 31, 2012	As at March 31, 2011
Deferred government grants (refer note below)	35,000,000	35,000,000
Security deposits from		
- Subsidiaries	1,715,000,000	1,715,000,000
- Others	12,634,768	14,111,394
Retention money	2,210,731	34,344,680
Lease equalisation reserve	28,362,599	20,299,608
Total	1,793,208,098	1,818,755,682

Note :

Ministry of New and Renewable Energy of the Government of India, as part of its Jawaharlal Nehru Nation Solar Mission 2010 sanctioned a Research and Development ('R&D') grant to the Company for its project 'Development of CIGS solar cell pilot plant to achieve grid parity solar cells'. One of the objectives of the grant is to develop low cost solar cell module with an aim to meet grid parity by using Cu(InGa)Se₂ solar cells. During the previous year, the company received R&D grant of ₹ 35,000,000 out of the total grant of ₹ 71,050,000 being 50 % of the total project equipment cost of ₹ 142,100,000. Pending acquisition of the equipment, the grant received has been disclosed in the financial statements as 'Government Grant' which shall be adjusted to the cost of the specific fixed assets.

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

8 Long term provisions

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Provision for employee benefits		
Gratuity (refer note 41)	101,396,787	65,680,516
Unavailed leave (refer note 41)	87,351,269	82,274,614
Key resource bonus and deferred salary (refer note below)	10,538,993	9,985,028
(b) Others		
Provision for redemption of FCCB (refer note 42(b))	–	1,064,331,621
Total	199,287,049	1,222,271,779

Note :

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

Particulars	Key resource bonus and deferred salary	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Balance as at the beginning of the year	81,467,705	67,476,047
Add: Provision made during the year	32,434,154	41,016,658
Less: Paid/ written back during the year	(73,269,945)	(27,025,000)
Balance as at the end of the year	40,631,914	81,467,705
Less: Amount classified under short term provisions	30,092,921	71,482,677
Balance as at the end of the year	10,538,993	9,985,028

9 Short term borrowings

Particulars	As at March 31, 2012	As at March 31, 2011
Short term loans (secured)		
(a) From banks		
- Secured by hypothecation of stock-in-trade and book debts and further by way of second charge on all immovable properties of the Company	7,812,387,084	5,975,686,574
- Secured by lien on fixed deposits	225,593,396	110,187,087
(b) From others		
- Secured by hypothecation of stock-in-trade and book debts and further by way of second charge on all immovable properties of the Company	668,219,960	732,500,000
Total	8,706,200,440	6,818,373,661

10 Trade payables

Particulars	As at March 31, 2012	As at March 31, 2011
Acceptances	1,015,231,623	1,098,504,823
Trade creditors		
- Dues to micro small and medium enterprises (refer note 43)	15,785,039	79,564,291
- Dues to others	2,259,913,328	2,662,139,756
Total	3,290,929,990	3,840,208,870

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

11 Other current liabilities

Particulars	As at March 31, 2012	As at March 31, 2011
Current maturities of long term loans	4,732,688,354	4,357,896,019
Current maturities of foreign currency convertible bonds	4,503,765,000	-
Interest accrued but not due on borrowings	9,788,078	3,657,456
Interest accrued and due on borrowings	306,401,947	98,792,599
Income received in advance	1,485,524	43,440,547
Unpaid dividends	3,679,631	4,424,911
Others		
-Capital creditors	164,860,470	273,600,911
-Employee benefits payable	197,503,810	269,038,737
-Statutory dues	89,528,952	100,152,157
-Security deposits received	4,615,951	1,590,672
-Retention money	46,498,568	15,419,278
-Other accrued liabilities	34,810,527	9,180,048
Total	10,095,626,812	5,177,193,335

12 Short term provisions

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Provision for employee benefits		
Unavailed leaves	11,008,810	15,964,901
Key resource bonus and deferred salary (refer note 8)	30,092,921	71,482,677
(b) Others		
Provision for taxation	14,957,797	14,957,797
Provision for warranty (refer note below)	5,847,476	15,146,522
Provision for other probable obligations (refer note below)	377,054,006	341,604,177
Provision for redemption of FCCB (refer note 42 (b))	1,793,150,173	-
Total	2,232,111,183	459,156,074

Note :

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

Particulars	Warranty*		Probable obligations**	
	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2012	For the year ended March 31, 2011
Balance as at the beginning of the year	15,146,522	38,069,017	341,604,177	292,962,127
Add: Provision made during the year	9,629,918	27,311,897	35,449,829	48,642,050
Less: Utilised/Written back during the year	(18,928,964)	(50,234,392)	-	-
Balance as at the end of the year	5,847,476	15,146,522	377,054,006	341,604,177

* Warranty provision relates to the estimated outflow in respect of warranty for products sold by the Company. Due to very nature of such costs, it is not possible to estimate the timing/uncertainties relating to their outflows as well as expense from such estimates.

** Probable obligations provision relates to the estimated outflow in respect of possible liabilities expected to arise in future. Due to very nature of such costs, it is not possible to estimate the timing/uncertainties relating to their outflows as well as expense from such estimates.

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

13 Fixed Assets

Particulars	Gross block			Accumulated depreciation and amortisation				Accumulated impairment			Net block		
	Balance as at April 1, 2011	Additions	Deletions	Balance as at March 31, 2012	Balance as at April 1, 2011	Charge for the year	Adjustment upon Deletions	Balance as at March 31, 2012	Balance as at April 1, 2011	Impairment during the year	Reversal during the year	Balance as at March 31, 2012	Balance as at March 31, 2011
Tangible Assets													
Leasehold Land	273,666,570	-	-	273,666,570	26,272,193	2,966,303	-	29,238,496	-	-	-	244,428,074	247,394,377
Buildings	3,273,214,631	29,498,557	6,894,587	3,295,818,601	848,838,293	114,336,337	6,468,101	956,706,529	-	-	-	2,339,112,072	2,424,376,338
Plant and equipments	40,412,327,129	766,564,155	543,132,774	40,635,758,510	28,380,090,176	3,247,609,647	459,770,247	31,167,929,576	-	-	-	9,467,828,934	12,032,236,953
Furniture and fixtures	183,182,718	568,436	6,456,656	177,294,498	82,484,794	9,772,632	4,636,786	87,620,640	-	-	-	89,673,858	100,697,924
Vehicles	23,819,135	-	2,160,502	21,658,633	12,959,094	1,794,613	1,911,448	12,842,259	-	-	-	8,816,374	10,860,041
Office equipments	104,221,394	506,932	2,076,376	102,651,950	37,737,641	4,651,368	1,620,600	40,768,409	-	-	-	61,883,541	66,483,753
Computer equipments	206,212,264	5,744,799	2,030,028	209,927,035	151,605,399	16,717,786	1,260,526	167,062,659	-	-	-	42,864,376	54,606,865
Total	44,476,643,841	802,882,879	562,750,923	44,716,775,797	29,539,987,590	3,397,848,686	475,667,708	32,462,168,568				12,254,607,229	14,936,656,251
Previous year	(43,447,242,304)	(1,197,568,589)	(168,167,052)	(44,476,643,841)	(25,878,896,734)	(3,757,456,605)	(96,365,749)	(29,539,987,590)	(-)	(-)	(-)	(14,936,656,251)	
Intangible Assets													
Computer software	71,925,561	2,689,053	-	74,614,614	48,091,161	7,819,534	-	55,910,695	-	-	-	18,703,919	23,834,400
Technical know how	293,747,593	12,434,027	-	306,181,620	217,057,886	22,224,566	-	239,282,452	32,848,882	-	32,848,882	66,899,168	43,840,825
Total	365,673,154	15,123,080	-	380,796,234	265,149,047	30,044,100	-	295,193,147	32,848,882	32,848,882	-	85,603,087	67,675,225
Previous year	(357,953,795)	(7,985,572)	(266,203)	(365,673,154)	(216,483,642)	(61,739,618)	(225,331)	(297,997,929)	(-)	(-)	(-)	(67,675,225)	

Notes:

- Additions to plant and machinery include exchange loss of ₹ 82,242,121 (previous year exchange loss of ₹ 5,229,982).
- Gross block of fixed assets include ₹ 418,448,955 (previous year ₹ 296,108,784) relating to the SEZ division of the Company.

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

14 Non-current investments

Particulars	As at March 31, 2012		As at March 31, 2011	
A. Trade Investments				
(1) Investment in Equity shares				
(a) Subsidiaries				
European Optic Media Technology GMBH				
Share Capital of € 2,025,000 (previous year € 2,025,000)		222,953,546		222,953,546
Includes reserve capital of ₹ 111,689,796 (previous year ₹ 111,689,796)				
Peraround Limited				
1,524,761 (previous year 1,524,761) shares of €1.71 each.		154,618,741		154,618,741
Photovoltaic Holdings Limited				
7,086,860 (previous year 7,086,860) equity shares of GBP 1 each		498,080,000		498,080,000
Moser Baer SEZ Developer Limited				
3,000,000 (previous year 3,000,000) equity shares of ₹ 10 each		30,000,000		30,000,000
Moser Baer Entertainment Limited				
270,000 (previous year 270,000) equity shares of ₹ 10 each		2,700,000		2,700,000
6,000,000 (previous year 6,000,000) equity shares of ₹ 10 each issued at premium of ₹ 90 each.		<u>600,000,000</u> 602,700,000		<u>600,000,000</u> 602,700,000
Moser Baer Investments Limited				
1,400,000 (previous year 1,350,000) equity shares of ₹ 10 each		14,000,000		13,500,000
(b) Associates				
Global Data Media FZ-LLC				
7,194 (previous year 7,194) shares of AED 1,000 each		92,532,185		92,532,185
Less: Provision for diminution		<u>(92,532,185)</u>	-	<u>(92,532,185)</u>
Moser Baer Infrastructure Limited				
3,430,000 (previous year 3,430,000) equity shares of ₹ 10 each		34,300,000		34,300,000
Less: Provision for diminution		<u>(34,300,000)</u>	-	<u>(34,300,000)</u>
(c) Others				
Lumen Engineering Private Limited				
102,000 (previous year 102,000) equity shares of ₹ 10 each		1,020,000		1,020,000
Moser Baer Projects Private Limited				
510,000 (previous year 510,000) equity shares of ₹ 10 each		5,100,000		5,100,000
Capco Luxembourg S.A.R.L.				
1 (previous year 1) equity share of Euro 125 each		4,961		4,961
		<u>1,528,477,248</u>		<u>1,527,977,248</u>
(2) Investments in preference shares				
(a) Subsidiaries				
Peraround Limited				
1,833 (previous year 1,833) zero coupon redeemable preference shares of € 100 each at a premium of € 900 each.		299,156,000		299,156,000
Less: Provision for diminution		<u>(223,624,000)</u>	75,532,000	<u>(223,624,000)</u>

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

Particulars	As at March 31, 2012		As at March 31, 2011	
Moser Baer Photo Voltaic Limited				
86,500,000 (previous year 86,500,000) 9% cumulative, convertible, redeemable series A preference shares of ₹ 10 each	865,000,000		865,000,000	
26,021,466 (previous year 26,021,466) 9% cumulative, redeemable series B1 preference shares of ₹ 10 each	260,214,660		260,214,660	
33,887,760 (previous year 33,887,760) 9% cumulative, redeemable series B2 preference shares of ₹ 10 each	<u>338,877,600</u>	1,464,092,260	<u>338,877,600</u>	1,464,092,260
Moser Baer Solar Limited (formerly PV Technologies India Limited)				
105,000,000 (previous year 105,000,000) class C redeemable preference shares of ₹10 each.	1,050,000,000		1,050,000,000	
41,000,000 (previous year 41,000,000) series C redeemable preference shares of ₹10 each	<u>410,000,000</u>	1,460,000,000	<u>410,000,000</u>	1,460,000,000
Moser Baer SEZ Developer Limited				
7,500,000 (previous year 7,500,000) 9% compulsorily cumulative convertible preference shares of ₹ 10 each at the premium of ₹ 90 each		750,000,000		750,000,000
Moser Baer Entertainment Limited				
50,000,000 (previous year 50,000,000) 10% cumulative, redeemable preference shares of ₹ 10 each.	500,000,000		500,000,000	
10,000,000 (previous year 10,000,000) 15% cumulative, redeemable series B preference shares of ₹ 10 each	<u>100,000,000</u>	600,000,000	<u>100,000,000</u>	600,000,000
Moser Baer Investments Limited				
63,114,660 (previous year 63,114,660) compulsorily convertible preference shares of ₹ 10 each		631,146,600		631,146,600
(b) Others				
Capco Luxembourg S.A.R.L.				
63,366 (previous year 63,366) preferred equity certificates of Euro 125 each	320,668,823		320,668,823	
Less: Provision for diminution	<u>(320,668,823)</u>	-	<u>(320,668,823)</u>	-
	<u>4,980,770,860</u>		<u>4,980,770,860</u>	
(3) Investments in debentures				
Moser Baer Solar Limited (formerly PV Technologies India Limited)				
1 (previous year 1) 13.25% non convertible debentures of ₹ 60,000,000 each	60,000,000		60,000,000	
1 (previous year 1) 13.25% non convertible debentures of ₹ 65,000,000 each	65,000,000		65,000,000	
1 (previous year 1) 13.25% non convertible debentures of ₹ 375,000,000 each	<u>375,000,000</u>	500,000,000	<u>375,000,000</u>	500,000,000
	<u>500,000,000</u>		<u>500,000,000</u>	
Total		7,009,248,108		7,008,748,108

Particulars	As at March 31, 2012	As at March 31, 2011
Aggregate amount of unquoted investments	7,009,248,108	7,008,748,108
Aggregate amount of Provision for diminution	671,125,008	671,125,008

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

15 Long term loans and advances

Particulars	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good unless otherwise stated		
Capital advances	56,734,250	123,515,383
Security deposits	57,605,270	67,881,763
Loan to subsidiaries	1,192,920,049	1,133,881,023
Prepaid expenses	3,310,982	3,484,893
Prepaid taxes (net of provision for tax ₹69,513,947 (previous year ₹69,584,375))	76,239,286	98,173,747
Balance with government authorities	134,262,841	119,483,421
Total	1,521,072,678	1,546,420,230

16 Other non current assets

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Lease rent receivable		
- Secured, considered good	1,715,000,000	1,715,000,000
- Unsecured, considered good	1,237,719,672	1,441,873,928
	2,952,719,672	3,156,873,928
(b) Others		
- Margin money	463,784,094	1,047,741,384
- Lease equalisation account	29,669,220	21,001,680
	493,453,314	1,068,743,064
Total	3,446,172,986	4,225,616,992

17 Inventories

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Raw Materials and components	783,405,948	700,309,220
Goods-in transit	73,734,419	140,409,292
	857,140,367	840,718,512
(b) Work-in-progress	2,022,939,791	2,683,634,437
	2,022,939,791	2,683,634,437
(c) Finished goods	1,513,518,462	1,737,480,094
	1,513,518,462	1,737,480,094
(d) Stock-in-trade	35,147,068	40,130,655
	35,147,068	40,130,655
(e) Stores and spares	968,766,411	1,005,130,194
Goods-in transit	4,855,006	5,421,077
	973,621,417	1,010,551,271

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

(f) Loose Tools	4,079,136	4,764,131
	4,079,136	4,764,131
(g) Packing material	177,107,964	179,272,426
	Goods-in transit 10,381,337	1,784,151
	187,489,301	181,056,577
Total	5,593,935,542	6,498,335,677

18 Trade receivables

Particulars	As at March 31, 2012	As at March 31, 2011
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
-Unsecured, considered good	2,293,931,234	1,760,604,073
-Unsecured, considered doubtful	251,567,999	279,978,318
-Less: Provision for doubtful debts	(251,567,999)	(279,978,318)
	2,293,931,234	1,760,604,073
Others		
Unsecured, considered good	4,994,038,004	4,525,475,074
	4,994,038,004	4,525,475,074
Total	7,287,969,238	6,286,079,147

19 Cash and bank balances

Particulars	As at March 31, 2012	As at March 31, 2011
Cash and cash equivalents		
Cash in hand	1,890,518	2,421,786
Funds in transit	63,791,066	62,741,000
Cheques in hand	15,646	169,797,935
Bank balances in		
-Current accounts	180,966,029	361,242,915
	246,663,259	596,203,636
Other bank balances		
Fixed deposits with maturity more than 3 months but less than 12 months	119,708,113	182,648,591
Unpaid dividend accounts	3,679,632	4,424,912
	123,387,745	187,073,503
Total	370,051,004	783,277,139

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

20 Short term loans and advances

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Loans and advances to related parties		
Unsecured, considered good	98,158,736	115,708,513
(b) Others		
Unsecured, considered good		
- Advances to suppliers	53,401,800	107,276,340
- Prepaid expenses	81,786,151	80,161,241
- Security deposits	20,124,568	7,920,030
- Balance with government authorities	189,357,506	292,066,211
- Advances to employees	4,976,939	6,887,970
- Prepaid taxes	33,113,382	28,943,084
- Others	27,410,726	27,103,478
Unsecured, considered doubtful		
- Taxes recoverable	449,294	449,294
- Less: Provision	<u>(449,294)</u>	<u>(449,294)</u>
Total	508,329,808	666,066,867

21 Other current assets

Particulars	As at March 31, 2012	As at March 31, 2011
Interest accrued on fixed deposits	25,974,269	33,518,226
Interest accrued on investments	37,764,315	11,524,779
Interest accrued and due on loan to subsidiaries	225,574,992	169,405,468
Lease rent receivable	205,966,979	183,882,430
Non-current assets classified as held for sale	59,097,128	-
Other receivables	-	9,971,069
Total	554,377,683	408,301,972

22 Revenue from operations

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Sale of products (refer note (i) below):		
-Finished goods	19,998,892,756	17,574,185,045
-Traded goods	42,372,704	307,845,412
	20,041,265,460	17,882,030,457
Sale of services (refer note (ii) below):	811,195,790	883,378,558
Other operating revenues:		
-Scrap sales	91,211,329	91,425,974
-Old liabilities and provisions no longer required written back	132,596,309	92,282,509
-Export benefits - Focused product scheme	269,632,094	182,894,305
-Others	47,719,692	51,237,786
	541,159,424	417,840,574
Total	21,393,620,674	19,183,249,589

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

Notes:

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

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Finished goods		
-Optical media products	18,738,460,833	16,019,779,353
-Pen drives and cards	936,495,207	1,035,086,844
-Others	323,936,716	519,318,848
(A)	19,998,892,756	17,574,185,045
Traded goods		
-Information Technology and Consumer Electronic Products (IT&CE)	42,372,704	307,845,412
(B)	42,372,704	307,845,412
Total	(A) + (B)	17,882,030,457

(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.

23 Other Income

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest income on		
- Deposits with banks	83,243,794	107,502,082
- Loans to subsidiaries	109,507,549	123,403,942
- Income tax refunds	1,736,582	45,357,666
- Unquoted long term investments	66,249,996	12,805,308
Other non-operating income		
Profit on sale of fixed assets (net)	5,843,189	72,373,119
Profit on cancellation of forward contracts (net)	-	13,368,504
Lease rent	63,005,040	21,001,679
Gain on foreign currency translation (net)	132,062,295	96,298,326
Total	461,648,445	492,110,626

24 Cost of material consumed

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Raw materials (refer note below)	8,563,412,260	8,426,692,320
Packing materials	1,656,350,610	1,622,235,631
Total	10,219,762,870	10,048,927,951

Note:

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

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Polycarbonate	5,143,803,739	4,866,120,445
Silver	1,088,203,058	708,320,595
Others	2,331,405,463	2,852,251,280
Total	8,563,412,260	8,426,692,320

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

25 Purchase of stock in trade

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Purchase of Information Technology and Consumer Electronic Products (IT&CE)	36,433,364	280,105,579
Purchase of test discs	–	19,922,820
Purchase of compact discs	30,732,238	23,067,677
Others	916,283	70,346
Total	68,081,885	323,166,422

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

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Closing stock:		
-Finished goods	1,513,518,462	1,737,480,094
-Work in progress	2,022,939,791	2,683,634,437
-Traded goods	35,147,068	40,130,655
	3,571,605,321	4,461,245,186
Less: Opening stock:		
-Finished goods	1,737,480,094	1,769,083,811
-Work in progress	2,683,634,437	2,386,758,827
-Traded goods	40,130,655	21,715,063
	4,461,245,186	4,177,557,701
Excise duty on finished goods	2,796,323	3,278,386
Total	886,843,542	(286,965,871)

27 Employee benefits expense

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries wages and bonus	1,509,562,857	1,622,714,137
Contribution to -		
-Provident fund	80,758,655	84,126,556
-Employee's State Insurance	13,313,127	13,699,822
-Gratuity fund (refer note 41)	35,718,029	17,214,517
Social security and other benefit plans for overseas employees	1,674,725	1,938,545
Staff welfare	156,324,763	153,687,193
Total	1,797,352,156	1,893,380,770

28 Depreciation, amortisation and impairment

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Depreciation and amortisation	3,427,892,786	3,806,347,341
Impairment of intangible assets	–	32,848,882
Reversal of impairment of intangible assets	(32,848,882)	–
Total	3,395,043,904	3,839,196,223

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

29 Finance costs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest	2,387,941,217	1,901,688,492
Other borrowing costs	2,068,125	883,559
Total	2,390,009,342	1,902,572,051

30 Other expenses

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Consumption of stores and spares	500,214,360	560,784,058
Power and fuel	2,025,927,559	1,728,830,295
Freight and forwarding	355,551,867	350,506,631
Royalty	762,823,298	693,216,026
Commission on sales	5,176,874	5,184,828
Rent	634,702,976	626,251,658
Repairs		
-To buildings	958,814	2,347,352
-To machinery	65,303,497	96,940,193
-To others	28,304,623	37,523,430
Insurance	122,758,969	127,674,722
Outsourced staff cost	306,861,878	277,301,562
Rates and taxes	7,940,969	2,984,725
Remuneration to auditors (refer note below)	16,077,101	19,488,178
Travelling and conveyance	86,011,426	100,863,768
Legal and professional	65,407,584	148,645,906
Warranty expenses	9,629,918	27,311,897
Loss on cancellation of forward contracts (net)	34,075,634	–
Others	329,246,343	541,380,026
Total	5,356,973,690	5,347,235,255

Note:

Payment to auditors include the following:

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Statutory audit (including limited reviews)*	15,650,421	15,750,000
Certification	–	850,000
Others	–	1,600,000
Out of pocket expenses	426,680	1,288,178
Total	16,077,101	19,488,178

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

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

31 Contingent liabilities

(a) Corporate guarantees given on behalf of the subsidiary companies: ₹ 24,099,600,000 (previous year ₹ 21,253,587,500). Against these guarantees, loans aggregating ₹ 15,573,866,190 (previous year ₹ 18,083,789,271) have been availed by the subsidiary companies.

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

Particulars	As at	As at
	March 31, 2012	March 31, 2011
	₹	₹
Entry Tax [Amount paid under protest ₹ 1,863,606 (previous year ₹ 1,863,606) and bank guarantees furnished ₹ 10,366,154 (previous year ₹ 2,058,688)]	127,761,075	127,297,833
Service Tax [Amount paid under protest ₹ 2,953,470 (previous year ₹ 2,953,470)]	351,157,722	154,559,343
Sales Tax [Amount paid under protest ₹ 10,725,595 (previous year ₹ 4,543,604) and bank guarantees furnished ₹ 13,645,780 (previous year ₹ 11,408,640)]	121,658,833	16,728,917
Custom duty and excise duty [Amount paid under protest ₹ 5,103,586 (previous year ₹ 4,500,696) and bank guarantees furnished ₹ Nil (previous year ₹ 12,000,000)]	486,001,268	32,668,448
Income Tax [Amount paid under protest ₹ 34,500,000 (previous year ₹ 34,500,000)]	108,889,105	105,003,119
Total	1,195,468,003	436,257,659

(c) Claims against the Company not acknowledged as debts: ₹ 78,048 (Previous year ₹ 2,317,645).

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.

(d) Letters of credit opened by banks on behalf of the Company: ₹ 285,514,138 (previous year ₹ 859,758,073).

32 Capital commitments

Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances): ₹ 205,501,851 (previous year ₹ 447,328,684).

33 (a) Lease obligations

The Company has entered into operating leases for its offices, guest houses and employee's residences that are renewable on a periodic basis and are cancellable at Company's option. Total lease payments recognized in the statement of profit and loss with respect to aforementioned premises is ₹ 86,654,491 (previous year ₹ 61,856,036). The total rent recovered on sub lease during the year is ₹ 63,005,040 (previous year ₹ 21,001,679).

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

(b) Assets taken on operating lease

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

Particulars	As at March 31, 2012	As at March 31, 2011
Total of future minimum lease payments under non cancellable operating lease for period	123,204,266	184,223,100
a. Not later than one year	60,699,266	61,043,925
b. Later than one year but not later than five years	62,505,000	123,179,175
c. Later than five years	-	-
Total of future minimum sub-lease rental receivable for a period of three years	128,635,290	191,640,330

(c) Assets given on finance lease

The Company has given buildings and utilities on financial lease to units operating in its SEZ division.

Buildings are given on lease for a period of 20 years and utilities are given for a period of 7-10 years. Apart from the regular lease rental the Company has also taken interest free refundable security deposits of ₹ 1,605,000,000 (Previous Year ₹ 1,605,000,000) from the lessees which is refundable at the end of the lease term.

Gross investments and present value of minimum lease payments receivable under the lease as under:

Particulars	As at March 31, 2012	As at March 31, 2011
Gross investments in the lease		
Not later than one year	445,740,000	445,740,000
Later than one year but not later than five years	1,767,239,521	1,782,960,000
Later than five years	1,226,915,579	1,656,935,100
Total	3,439,895,100	3,885,635,100
Present value of minimum lease payments receivable		
Not later than one year	298,768,842	340,180,554
Later than one year but not later than five years	867,093,757	994,299,160
Later than five years	122,527,240	294,090,679
Total	1,288,389,839	1,628,570,393
Unearned finance income	2,034,520,936	2,140,080,381
The present value of unguaranteed residual value	116,984,325	116,984,325

34 Taxation

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

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

Particulars of timing differences	As at March 31, 2011	Movement during the year	As at March 31, 2012
Deferred tax liability			
Foreign currency monetary item translation difference account	-	31,636,611	31,636,611
Provision for lease rent equalisation	6,813,995	(4,001,812)	2,812,183
Total	6,813,995	27,634,799	34,448,794

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

Deferred tax assets			
Unabsorbed depreciation	32,305	(32,405)	-
Foreign currency monetary item translation difference account	6,781,690	(6,781,690)	-
Provision for leave encashment and gratuity	-	34,448,794	34,448,794
Total	6,813,995	27,634,799	34,448,794
Net deferred tax liability	-	-	-

Notes:

- 1) The tax impact for the above purpose has been arrived at by applying a tax rate of 32.445% (previous year 32.445%) being the prevailing tax rate for Indian Companies under the Income Tax Act, 1961
- 2) Deferred tax asset has been recognised only to the extent of the deferred tax liability.

35 Derivative instruments

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

(a) The forward exchange contracts outstanding as at March 31, 2012 are as under :

Currency exchange	USD/INR	EUR/USD
(i) Number of 'buy' contracts	1 (4)	-
(ii) Aggregate foreign currency amount ₹ Value	40,035 2,062,203	-
Aggregate foreign currency amount ₹ Value	(34,000,000) (1,568,195,000)	-
(iii) Number of 'sell' contracts	15 (1)	1 (1)
(iv) Aggregate foreign currency amount ₹ Value	57,590,401 2,822,730,783	5,000,000 339,963,975
Aggregate foreign currency amount ₹ Value	(2,868,736) (138,000,551)	(5,000,000) (315,968,700)

(b) The foreign currency exposures not hedged as at year end as at March 31, 2012 are as under:

Currency exchange	USD	EUR	GBP	CHF	JPY	SGD	SEK
Receivables in foreign currency ₹ Value	14,937,387 760,014,230	19,008,740 1,290,123,175	179 14,616	-	37,630 23,285	498 20,146	-
Receivables in foreign currency ₹ Value	(71,173,772) (3,173,994,365)	(15,932,965) (1,009,871,160)	(6) (451)	-	(1,000,000) (538,200)	-	-
Payables in foreign currency ₹ Value	148,507,688 7,557,556,263	2,032,151 137,962,727	25,691 2,093,802	454,208 25,635,496	104,854,713 64,936,524	70,436 2,854,047	-
Payables in foreign currency ₹ Value	(119,524,038) (5,331,369,716)	(4,798,785) (304,254,987)	(30,258) (2,173,758)	(536,596) (26,185,877)	(217,121,812) (116,963,520)	(157,301) (5,573,185)	(12,633) (89,189)

Mark-to-market losses related to derivatives are ₹ Nil (previous year 2,328,426)

Figures in bracket are previous year figures.

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

36 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, 2012	For the year ended March 31, 2011	For the year ended March 31, 2012	For the year ended March 31, 2011
Imported				
Value (₹)	8,592,000,783	8,580,327,448	254,272,487	323,507,600
Percentage	84.07	85.39	50.83	57.69
Indigenous				
Value (₹)	1,627,762,087	1,468,600,503	245,941,873	237,276,458
Percentage	15.93	14.61	49.17	42.31
Total	10,219,762,870	10,048,927,951	500,214,360	560,784,058
Percentage	100	100	100	100

37 Foreign currency transactions:

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
(A) Value of imports on CIF basis:		
Purchase of Finished Goods	13,197,363	80,669,788
Raw material, including material in transit ₹ 77,413,198 (previous year ₹ 139,713,646)	4,911,141,976	6,107,439,059
Capital goods, including material in transit ₹ Nil (previous year ₹ 24,443,642)	201,795,619	816,470,010
Stores, spares and consumables, including material in transit ₹ 5,089,051 (previous year ₹ 6,033,805)	229,359,005	457,446,388
Packing material, including material in transit ₹ 10,539,342 (previous year ₹ 1,577,564)	56,807,993	547,859,450
Total	5,412,301,956	8,009,884,695
(B) Expenditure in foreign currency (on accrual basis) :		
Travel	16,560,217	28,282,213
Interest	7,961,946	15,346,427
Royalty/Technical know-how fees	762,823,298	693,216,026
Directors sitting fees	730,001	750,000
Legal and professional	15,869,588	11,549,773
Other expenditure	101,904,827	77,725,359
Expenditure of foreign branch/liaison office:		
-Staff welfare	33,160	225,462
-Rent/Lease rent	5,441,088	2,494,266
-Legal and professional expenses	3,804,307	2,989,792
-Miscellaneous expenses	78,524,689	66,238,370
-Insurance	4,128,059	5,139,843
-Salaries and wages	28,293,030	33,332,463
-Repairs and maintenance	15,500	1,094,515
Total	1,026,089,710	938,384,509

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
(C) Earnings in foreign exchange (on accrual basis) :		
Value of exports on FOB basis	13,225,757,810	10,777,267,880
Interest	46,115,981	41,757,535
Others:		
-Insurance claim received	-	1,140,800
-Freight recovery	120,781,284	93,858,733
-Other miscellaneous income	1,552,114	5,255,233
(D) Amount remitted in foreign currency for dividend :		
Dividend remitted on fully paid - up equity shares of ₹10 each		
Number of non resident shareholders	-	1
Number of shares held	-	202,500
Year to which it relates	-	2009-10
Dividend remitted in (₹)	-	121,500

38 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	Omega Optical Media Technologies*	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 (formerly PV Technologies India Limited)	100%
Subsidiary	Moser Baer Photovoltaic Limited	100%
Subsidiary	Perafly Limited	100%
Subsidiary	Dalecrest Limited	100%
Subsidiary	Nicofly Limited	100%
Subsidiary	Perasoft Limited	100%
Subsidiary	Crownglobe Limited	100%
Subsidiary	Peraround Limited	100%
Subsidiary	Advoferm Limited	100%
Subsidiary	Cubic Technologies BV	100%
Subsidiary	TIFTON Limited	100%
Subsidiary	Value Solar Energy Private Limited	100%
Subsidiary	Pride Solar Systems Private Limited	100%
Subsidiary	Admire Energy Solutions Private Limited	100%
Subsidiary	Moser Baer Solar Systems Private Ltd. (formerly Arise Solar Energy Private Limited)	100%
Subsidiary	Competent Solar Energy Private Limited	100%

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

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

* Entities dissolved during the previous year

Key Management Personnel

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

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

(figures in brackets are for the previous year)

Particulars	Associates	Subsidiaries	Key Management Personnel and their Relatives	Entities on which Key Management Personnel have significant influence	Total
Sales of finished goods					
Global Data Media FZ LLC	- (-707,441)	- (-)	- (-)	- (-)	
European Optic Media Technology GmbH	- (-)	- (-1,520,702)	- (-)	- (-)	
O M & T BV	- (-)	406,040,133 (- 5,442,781)	- (-)	- (-)	
Moser Baer Photovoltaic Limited	- (-)	143,171,913 (193,085,743)	- (-)	- (-)	
Moser Baer Solar Limited (formerly PV Technologies India Limited)	- (-)	121,102,265 (-)	- (-)	- (-)	
Moser Baer Entertainment Limited	- (-)	2,470,995,201 (306,584,724)	- (-)	- (-)	3,141,309,512 (491,999,543)
Services rendered to related party					
Moser Baer Photovoltaic Limited	- (-)	88,085,580 (-)	- (-)	- (-)	
Moser Baer Engineering and Construction Limited	- (-)	- (-)	- (-)	54,722,588 (-)	142,808,168 (-)
Services charges (included in services)					
Moser Baer Photovoltaic Limited	- (-)	57,353,248 (192,681,203)	- (-)	- (-)	
Moser Baer Solar Limited (formerly PV Technologies India Limited)	- (-)	796,457,011 (369,449,414)	- (-)	- (-)	853,810,259 (562,130,617)

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

Particulars	Associates	Subsidiaries	Key Management Personnel and their Relatives	Entities on which Key Management Personnel have significant influence	Total
Lease rent (included in services)					
Moser Baer Photovoltaic Limited	-	16,560,000	-	-	
	(-)	(16,802,502)	(-)	(-)	
Moser Baer Solar Limited (formerly PV Technologies India Limited)	-	42,720,000	-	-	
	(-)	(296,354,659)	(-)	(-)	
Moser Baer Engineering and Construction Limited				8,667,540	67,947,540
				(21,001,680)	(334,158,841)
Advance rent received					
Moser Baer Engineering and Construction Limited	-	-	-	-	-
	(-)	(-)	(-)	(4,739,175)	(4,739,175)
Expenses incurred on behalf of other companies					
Global Data Media FZ LLC	-	-	-	-	
	(134,850)	(-)	(-)	(-)	
Moser Baer Photovoltaic Limited	-	5,418,678	-	-	
	(-)	(14,551,318)	(-)	(-)	
Moser Baer Solar System Private Limited	-	1,799,706	-	-	
	(-)	(-)	(-)	(-)	
Moser Baer Solar Limited (formerly PV Technologies India Limited)	-	13,905,178	-	-	
	(-)	(3,266,755)	(-)	(-)	
Moser Baer Projects Private Limited	-	-	-	46,640	
	(-)	(-)	(-)	(100,573)	
Moser Baer Entertainment Limited	-	57,860	-	-	
	(-)	(-)	(-)	(-)	
Moser Baer Engineering and Construction Limited	-	-	-	4,300	
	(-)	(-)	(-)	(1,710,000)	
Others	-	7,650	-	-	21,240,013
	(-)	(14,436)	(-)	(-)	(19,777,930)
Reimbursement / Recovery against sales					
European Optic Media Technology GmbH	-	-	-	-	
	(-)	(73,948,104)	(-)	(-)	
O M & T BV	-	64,787,126	-	-	
	(-)	(-)	(-)	(-)	
Moser Baer Entertainment Limited	-	2,003,882,866	-	-	
	(-)	(184,255,092)	(-)	(-)	
Moser Baer Photovoltaic Limited	-	426,216,523	-	-	2,494,886,515
	(-)	(154,042,792)	(-)	(-)	(412,245,988)
Reimbursement/ Recovery of expenses					
Moser Baer Photovoltaic Limited	-	217,005,400	-	-	
	(-)	(499,457,208)	(-)	(-)	
Moser Baer Solar Limited (formerly PV Technologies India Limited)	-	125,692,766	-	-	
	(-)	(299,673,741)	(-)	(-)	
Moser Baer Projects Pvt Ltd.	-	-	-	46,640	
	(-)	(-)	(-)	(100,573)	
Moser Baer Engineering and Construction Limited	-	-	-	53,545,638	
	(-)	(-)	(-)	(1,710,000)	
Others	-	8,058	-	-	396,298,501
	(-)	(12,702)	(-)	(-)	(800,954,225)
Provision for doubtful debts					
Global Data Media FZ LLC	-	-	-	-	-
	(108,589,804)	(-)	(-)	(-)	(108,589,804)

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

Particulars	Associates	Subsidiaries	Key Management Personnel and their Relatives	Entities on which Key Management Personnel have significant influence	Total
Reversal of provision for doubtful debts					
Global Data Media FZ LLC	54,952,459 (-)	- (-)	- (-)	- (-)	54,952,459 (-)
Security deposit received against lease					
Moser Baer Engineering and Construction Limited	- (-)	- (-)	- (-)	- (12,000,000)	- (12,000,000)
Purchase of semi finished goods/ raw material / services					
Moser Baer Entertainment Limited	- (-)	8,797,540 (742,020)	- (-)	- (-)	
Moser Baer Photovoltaic Limited	- (-)	30,830,789 (6,774,936)	- (-)	- (-)	
Moser Baer Solar Limited (formerly PV Technologies India Limited)	- (-)	49,713,837 (74,550)	- (-)	- (-)	
O M & T BV	- (-)	81,503,694 (19,674,546)	- (-)	- (-)	170,845,860 (27,266,052)
Purchase of fixed assets					
Moser Baer Solar Limited (formerly PV Technologies India Limited)	- (-)	- (4,665,455)	- (-)	- (-)	
Cubic Technologies B.V	- (-)	- (141,375,491)	- (-)	- (-)	
O M & T BV	- (-)	-2,226,395 (1,703,101)	- (-)	- (-)	-2,226,395 (147,744,047)
Expenses charged by related party					
Moser Baer Photovoltaic Limited	- (-)	38,658,458 (-)	- (-)	- (-)	
Moser Baer Entertainment Limited	- (-)	210,048 (467,011)	- (-)	- (-)	
Moser Baer Technologies Limited	- (-)	12,981,300 (-)	- (-)	- (-)	
Moser Baer Solar Limited (formerly PV Technologies India Limited)	- (-)	528,863,566 (549,543,997)	- (-)	- (-)	580,713,372 (550,011,008)
Payment made against security deposit					
Moser Baer Solar Limited (formerly PV Technologies India Limited)	- (-)	95,500,000 (-)	- (-)	- (-)	95,500,000 (-)
Payment made on behalf of related party					
Moser Baer Entertainment Limited	- (-)	1,483,233 (-)	- (-)	- (-)	1,483,233 (-)
Loans and advances granted					
Moser Baer Solar Limited (formerly PV Technologies India Limited)	- (-)	457,800,000 (1,592,300,000)	- (-)	- (-)	
Moser Baer Infrastructure & Developers Limited	- (-)	- (3,500,000)	- (-)	- (-)	
Moser Baer Photovoltaic Limited	- (-)	510,667,807 (279,500,000)	- (-)	- (-)	968,467,807 (1,875,300,000)
Repayment of loans and advances granted					
Moser Baer Photo Voltaic Limited	- (-)	510,667,807 (496,500,000)	- (-)	- (-)	
Moser Baer Solar Limited (formerly PV Technologies India Limited)	- (-)	473,300,000 (1,584,800,000)	- (-)	- (-)	983,967,807 (2,081,300,000)

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

Particulars	Associates	Subsidiaries	Key Management Personnel and their Relatives	Entities on which Key Management Personnel have significant influence	Total
Interest charges in respect of loans/ investments					
Peraround Limited	-	46,115,981	-	-	
	(-)	(41,757,535)	(-)	(-)	
Moser Baer Infrastructure & Developers Limited	-	9,493,043	-	-	
	(-)	(8,408,185)	(-)	(-)	
Moser Baer Photo Voltaic Limited	-	5,471,846	-	-	
	(-)	(18,776,558)	(-)	(-)	
Moser Baer Solar Limited (formerly PV Technologies India Limited)	-	76,351,838	-	-	
	(-)	(36,491,904)	(-)	(-)	
Moser Baer Entertainment Limited	-	38,324,837	-	-	175,757,545
	(-)	(30,775,068)	(-)	(-)	(136,209,250)
Interest received against loan					
Moser Baer Photovoltaic Limited	-	22,261,311	-	-	
	(-)	(-)	(-)	(-)	
Moser Baer Solar Limited (formerly PV Technologies India Limited)	-	64,752,460	-	-	
	(-)	(-)	(-)	(-)	
Moser Baer Entertainment Limited	-	9,161,413	-	-	96,175,184
	(-)	(29,167,649)	(-)	(-)	(29,167,649)
Investments					
Moser Baer Solar Limited (formerly PV Technologies India Limited)	-	-	-	-	
	(-)	(500,000,000)	(-)	(-)	
Moser Baer Entertainment Limited	-	-	-	-	
	(-)	(1,100,000,000)	(-)	(-)	
Moser Baer Investments Limited	-	500,000	-	-	
	(-)	(633,146,600)	(-)	(-)	
Photovoltaic Holdings Limited	-	-	-	-	500,000
	(-)	(498,080,000)	(-)	(-)	(2,731,226,600)
Redemption of investment in preference shares					
Peraround Limited	-	-	-	-	-
	(-)	(581,267,997)	(-)	(-)	(581,267,997)
Provision for diminution in the value of long term investments					
Moser Baer Infrastructure Limited	-	-	-	-	-
	(34,300,000)	(-)	(-)	(-)	(34,300,000)
Directors remuneration					
	-	-	22,353,710	-	22,353,710
	(-)	(-)	(29,850,000)	(-)	(29,850,000)
Dividend paid to key management personnel					
Mr. Deepak Puri	-	-	-	-	-
	(-)	(-)	(3,457,784)	(-)	
Mr. Ratul Puri	-	-	-	-	-
	(-)	(-)	(9,686,252)	(-)	
Mrs. Nita Puri	-	-	-	-	-
	(-)	(-)	(2,060,779)	(-)	(15,204,815)

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

Particulars	Associates	Subsidiaries	Key Management Personnel and their Relatives	Entities on which Key Management Personnel have significant influence	Total
Outstanding receivables					
In respect of sales or services					
Global Data Media FZ LLC	223,227,763	-	-	-	
	(86,732,200)	(-)	(-)	(-)	
European Optic Media Technology GmbH	-	-1,154,643	-	-	
	(-)	(-1,175,962)	(-)	(-)	
O M & T BV	-	376,762,477	-	-	
	(-)	(10,693,623)	(-)	(-)	
Moser Baer Photovoltaic Limited	-	366,308,394	-	-	
	(-)	(653,830,998)	(-)	(-)	
Moser Baer solar Limited(formerly PV Technologies India Limited)	-	4,532,236,377	-	-	
	(-)	(3,868,186,924)	(-)	(-)	
Moser Baer Solar System Pvt. Limited	-	1,799,706	-	-	
	(-)	(-)	(-)	(-)	
Moser Baer Entertainment Limited	-	1,837,129,379	-	-	
	(-)	(1,378,885,006)	(-)	(-)	
Moser Baer Engineering and construction Limited	-	-	-	29,669,220	7,365,978,673
	(-)	(-)	(-)	(21,001,680)	(6,018,154,469)
In respect of loans & advances					
Peraround Limited	-	892,920,049	-	-	
	(-)	(833,881,023)	(-)	(-)	
Moser Baer Solar Limited (formerly PV Technologies India Limited) (repayable on demand)	-	8,658,736	-	-	
	(-)	(23,206,576)	(-)	(-)	
Moser Baer Infrastructure & Developers Limited	-	89,500,000	-	-	
	(-)	(89,500,000)	(-)	(-)	
Moser Baer Photovoltaic Limited (repayable on demand)	-	-	-	-	
	(-)	(3,000,000)	(-)	(-)	
Moser Baer Entertainment Limited	-	300,000,000	-	-	
	(-)	(300,000,000)	(-)	(-)	
Others	-	-	-	-	1,291,078,785
	(-)	(1,936)	(-)	(-)	(1,249,589,535)
In respect of Interest accrued on loans/ investment					
Peraround Limited	-	177,245,016	-	-	
	(-)	(121,510,337)	(-)	(-)	
Moser Baer Infrastructure & Developers Limited	-	19,170,384	-	-	
	(-)	(9,678,292)	(-)	(-)	
Moser Baer Entertainment Limited	-	29,159,592	-	-	
	(-)	(-)	(-)	(-)	
Moser Baer Photo Voltaic Limited	-	-	-	-	
	(-)	(16,898,902)	(-)	(-)	
Moser Baer Solar Limited (formerly PV Technologies India Limited)	-	37,764,315	-	-	263,339,307
	(-)	(32,842,716)	(-)	(-)	(180,930,248)
In respect of debentures					
Moser Baer Solar Limited (formerly PV Technologies India Limited)	-	500,000,000	-	-	500,000,000
	(-)	(500,000,000)	(-)	(-)	(500,000,000)

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

Particulars	Associates	Subsidiaries	Key Management Personnel and their Relatives	Entities on which Key Management Personnel have significant influence	Total
Outstanding payable					
In respect of expenses/purchases (included in due to subsidiaries)					
O M & T BV	-	1,966,875	-	-	
	(-)	(4,286,437)	(-)	(-)	
Moser Baer Solar Limited (formerly PV Technologies India Limited)	-	574,337,287	-	-	
	(-)	(833,422,581)	(-)	(-)	
Cubic Technologies B.V	-	80,898,402	-	-	
	(-)	(110,360,374)	(-)	(-)	
Moser Baer Photo Voltaic Limited	-	33,699,584	-	-	
	(-)	(117,688,262)	(-)	(-)	
Moser Baer Entertainment Limited	-	49,623,333	-	-	740,525,481
	(-)	(51,024,796)	(-)	(-)	(1,116,782,450)
In respect of other advances					
Moser Baer Engineering and Construction Limited	-	-	-	-	-
	(-)	(-)	(-)	(4,739,175)	(4,739,175)
In respect of security deposit received for lease					
Moser Baer Photovoltaic Limited	-	380,000,000	-	-	
	(-)	(380,000,000)	(-)	(-)	
Moser Baer Solar Limited (formerly PV Technologies India Limited)	-	1,335,000,000	-	-	
	(-)	(1,335,000,000)	(-)	(-)	
Moser Baer Engineering and Construction Limited	-	-	-	12,000,000	1,727,000,000
	(-)	(-)	(-)	(12,000,000)	(1,727,000,000)
In respect of managerial remuneration					
Deepak Puri	-	-	2,311,507	-	
	(-)	(-)	(1,280,934)	(-)	
Ratul Puri	-	-	2,654,774	-	
	(-)	(-)	(804,743)	(-)	
Nita Puri	-	-	450,432	-	5,416,713
	(-)	(-)	(406,678)	(-)	(2,492,355)

(c) During the previous year, the terms of the existing investment of 7,500,000, 9% redeemable preference shares of ₹ 10 each (optionally redeemable at the option of the issuer at premium of ₹ 90/- per share subject to compulsory redemption within 20 years from the date of allotment), invested in MB SEZ Developer Limited, the subsidiary company have been altered (with retrospective effect from April 1, 2009) to 7,500,000 9% compulsorily cumulative convertible preference shares of ₹ 10 each fully paid up into equity shares with in a period of 10 years from the original date of allotment i.e. April 1, 2009 at the option of the Company. The ratio of conversion would be decided at the time of conversion.

(d) The terms of the existing 63,114,660, redeemable preference shares of ₹ 10 each invested in Moser Baer Investments Limited, the subsidiary company, during the previous year, have been altered to compulsorily convertible preference shares into equity shares with in a period of 10 years from the original date of allotment i.e. May 4, 2010 at the option of the Company. The ratio of conversation shall be 1:1.

(e) Other arrangements

Details of corporate guarantees provided on behalf of subsidiary companies

Particulars	Amount
Moser Baer Photovoltaic Limited	14,070,675,000
	(13,145,037,500)
Moser Baer Solar Limited (formerly PV Technologies India Limited)	10,028,925,000
	(8,108,550,000)

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

39 (Loss) per share

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
(a) Calculation of weighted average number of equity shares		
1. For Basic EPS		
No. of Shares at the beginning of the year	168,306,104	168,306,104
Total number of equity shares outstanding at the end of the year	168,306,104	168,306,104
Weighted average number of equity shares outstanding during the year	168,306,104	168,306,104
2. For Diluted EPS		
Weighted average number of equity shares outstanding during the year as computed above	168,306,104	168,306,104
Weighted average number of stock options outstanding during the year	-	-
Weighted average number of equity shares outstanding during the year for diluted EPS	168,306,104	168,306,104
(b) Net (loss) after tax available for equity shareholders	(3,194,231,953)	(4,007,147,069)
(Loss) per share (face value per share ₹ 10 each)		
Basic	(18.98)	(23.81)
Diluted	(18.98)	(23.81)

40 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, 2012.

41 Employee benefits

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

A Defined contribution plans

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

(i) **Provident fund**

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Employers' Contribution to Provident Fund*	49,684,122	48,986,104

(ii) **State plans**

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Employers' Contribution to Employee's State Insurance Act, 1948	13,313,127	13,699,822
Employers' Contribution to Employee's Pension Scheme, 1995	24,277,196	27,685,653

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

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

B Defined benefit plans

- (i) In accordance with Accounting Standard 15, the liability in respect of defined benefit plan, namely gratuity and unavailed earned leaves has been determined based on actuarial valuation based on the following assumptions:-

Particulars	Leave encashment (unfunded)		Employee's gratuity fund	
	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2012	For the year ended March 31, 2011
Discount rate (per annum)	8.60%	8.25%	8.60%	8.25%
Rate of increase in compensation levels	10.00%	9.00%	10.00%	9.00%
Rate of return on plan assets	-	-	9.40%	9.40%
Expected Average remaining working lives employees (years)	11.51	11.51	11.51	11.51

(ii) Changes in the present value of obligation

Particulars	Leave encashment (unfunded)		Employee's gratuity fund	
	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2012	For the year ended March 31, 2011
Present value of obligation as at April 1, 2011	81,531,908	83,452,256	196,614,786	182,439,484
Interest cost	7,431,042	7,100,835	17,700,058	15,113,511
Current service cost	14,633,563	18,354,516	25,955,051	27,915,115
Benefits paid	(12,184,472)	(7,738,155)	(17,118,000)	(14,956,309)
Actuarial (gain)/loss on obligations	(3,964,298)	(19,637,544)	1,388,213	(13,897,015)
Present value of obligation as at March 31, 2012	87,447,743	81,531,908	224,540,108	196,614,786

(iii) Changes in the fair value of plan assets

Particulars	Employee's gratuity fund	
	For the year ended March 31, 2012	For the year ended March 31, 2011
Fair value of plan assets as at April 1, 2011	130,934,270	133,153,245
Expected return on plan assets	11,503,359	11,917,094
Actuarial gains and losses	(2,178,066)	-
Contributions	1,778	820,240
Benefits paid	(17,118,000)	(14,956,309)
Fair value of plan assets as at March 31, 2012	123,143,341	130,934,270

- (iv) The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan; and experience adjustments arising on the plan liabilities and the plan assets

Particulars	Employee's gratuity fund				
	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008
Present value of defined benefit obligation	224,540,108	196,614,786	182,439,484	135,012,098	103,287,623
Fair value of plan assets	123,143,341	130,934,270	133,153,245	106,201,636	102,709,562
Surplus or (deficit) in the plan assets	(101,396,767)	(65,680,516)	(49,286,239)	(28,810,462)	(578,061)

- (v) The expected contribution on account of gratuity for the year ending March 31, 2012 can't be ascertained at this stage.

Particulars	Leave Encashment (unfunded)				
	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008
Present value of defined benefit obligation	87,447,743	81,531,908	83,452,256	71,570,155	60,028,896
Fair value of plan assets	-	-	-	-	-
Surplus or (deficit) in the plan assets	(87,447,743)	(81,531,908)	(83,452,256)	(71,570,155)	(60,028,896)

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

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

Particulars	Leave Encashment (unfunded)		Employee's gratuity fund	
	For the year ended March 31, 2012	For the year ended March 31, 2011	For the year ended March 31, 2012	For the year ended March 31, 2011
Current service cost	14,633,563	18,354,516	25,955,051	27,915,115
Interest cost	7,431,042	7,100,835	17,700,058	15,113,511
Expected return on plan assets	—	—	(11,503,359)	(11,917,094)
Net actuarial (gain)/loss recognized in the year	(3,964,298)	(19,637,544)	3,566,279	(13,897,015)
Effect of curtailments	—	—	—	—
Past service cost	—	—	—	—
Total expenses recognized in statement of profit and loss	**18,100,307	**5,817,807	*35,718,029	*17,214,517

* Included in contribution to provident and other funds (refer note 27)

** Included in personnel expenses (refer note 27)

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

42 Foreign currency convertible bonds

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

Particulars	As at March 31, 2012		As at March 31, 2011	
	USD	₹*	USD	₹*
Funds available at the beginning of the year	152,924	6,819,641	153,465	6,890,584
Less: Miscellaneous expenses	5,013	252,826	541	24,418
Unutilized issue proceeds #	147,911	7,525,709	152,924	6,819,641

Restated as at year end.

**Excludes issue expenses paid without utilising FCCB funds.

* Net of foreign exchange gain of ₹ 958,895 for the year ended March 31, 2012 and loss of ₹ 46,525 for the year ended March 31, 2011.

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

Particulars	As at March 31, 2012	As at March 31, 2011
Opening balance	1,064,331,621	762,653,374
Add provision for the year	728,818,552	301,678,247
Closing balance	1,793,150,173	1,064,331,621

Premium payable on redemption of FCCB accrued up to March 31, 2012 calculated on prorata basis ₹ 1,793,150,173 (previous year ₹ 1,064,331,621) has been fully provided for and charged to securities premium account. In the event that the conversion option is exercised by the holders of FCCB in the future, the amount of premium charged to the securities premium account shall be written back to security premium account.

(c) Pursuant to the notification issued by The Ministry of Corporate Affairs dated May 11, 2011 read with the notification issued on March 31, 2009, the company has chosen to avail the option to accumulate exchange differences arising on long term foreign currency monetary items in the "Foreign Currency Monetary Item Translation Difference Account". Amount remaining to be amortised in this account is as under:

Particulars	As at March 31, 2012	As at March 31, 2011
Amortisation charged to statement of profit and loss	363,121,552	16,644,292
Un-amortised exchange differences	(97,508,432)	32,392,554

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

- 43** Based on the information available with the Company, the Company has identified 34 vendors as micro, small and medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006. The balance due to such vendors has been disclosed separately under trade payables. (refer note 10)

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

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Amount remaining unpaid to micro ,small and medium enterprises at the end of year		
Principal amount	15,785,039	73,982,577
Interest thereon	13,903,886	5,581,714
Total	29,688,925	79,564,291
(b) Amount of payments made to micro, small and medium enterprises beyond the appointed date during the year		
Principal amount	375,246,018	282,140,052
Interest actually paid u/s 16 of the act.	-	-
Total	375,246,018	282,140,052
(c) Interest due & payable (excluding interest u/s 16 of the act) to micro, small and medium enterprises for delayed payments		
Interest accrued during the year as per agreed terms.	-	-
Interest payable during the year as per agreed terms.	-	-
(d) Interest accrued (including interest u/s 16 of the act) and remaining unpaid at the end of the year		
Interest accrued during the year.	8,322,172	2,681,887
Interest remaining unpaid during the year.	8,322,172	2,681,887

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

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Contract revenue recognised during the year	-	-
Aggregate amount of contract costs incurred for all contracts in progress as at year end	-	-
Recognized profits (less recognized losses) for all contracts in progress as at the year end	-	-
Amount of advances received for contracts in progress as at year end	-	-
Amount of retentions for contracts in progress as at year end	-	43,982,074

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

45 Details of defaults in repayment of dues to the bank / financial institution

Due date	Amount	Delay in days
(a) Banks		
December 26, 2011	73,474,188	96
January 31, 2012	65,956,316	60
February 20, 2012	18,750,000	40
February 24, 2012	62,500,000	36
February 28, 2012	250,000,000	32
February 29, 2012	240,281,559	31
March 25, 2012	125,000,000	6
March 26, 2012	100,000,000	5
March 29, 2012	12,500,000	2
(b) Financial Institution		
March 10, 2012	48,252,740	21
March 26, 2012	2,356,058	5
March 29, 2012	32,609,253	2

(Refer note 6 for long term borrowings)

46 Impairment of investments

- (a) A subsidiary of the Company, Moser Baer Solar Limited (MBSL) and its subsidiary Moser Baer Photovoltaic Limited (MBPV) were also referred for debt restructuring with the Corporate Debt Restructuring Cell (CDR cell). MBPV received the final letter of approval dated September 27, 2012 to re-structure existing debt obligations, including interest, additional funding and other terms. The debt re-structuring proposal of Moser Baer Solar Limited (MBSL) is under discussion amongst its lenders. In anticipation of the successful implementation of the CDR scheme, the financial statements of MBSL have been prepared on a going concern basis. Further, the management of these subsidiaries has obtained business valuations as of March 31, 2012 by an independent valuer, with the information and projections used for Techno Economic Viability (TEV) assessment by the consortium of banks participating in the CDR schemes of the respective subsidiaries. The aforementioned business valuation has been done using the discounted cash flows method with significant underlying assumptions, including, conclusion of Corporate Debt Restructuring in the terms proposed or accepted by CDREG, as the case may be, implementation of regulatory measures by the appropriate authority and successful implementation of new technologies by these companies.

Based on the business valuations, the Company has concluded that no adjustment is necessary to the underlying investments in and advances to these subsidiaries aggregating to ₹ 7,189,249,810 in the standalone financial results for year ended March 31, 2012.

- (b) The Company has an investment in and certain amounts recoverable from another subsidiary, Moser Baer Entertainment Limited (MBEL) amounting to ₹ 1,482,236,259 as at March 31, 2012. A business valuation of MBEL has been carried out by an external valuer based on Company's business plans, which include new initiatives to be undertaken by the Company and MBEL to leverage the market. Based on this valuation, no provision for impairment of either the investment or amounts recoverable has been made in the stand alone financial statements of the Company as at March 31, 2012.

MOSER BAER INDIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

(All amounts in rupees, unless otherwise stated)

- 47** During the year ended March 31, 2012, the revised schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

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

Deepak Puri
Chairman and
Managing Director

Nita Puri
Director

Place: New Delhi
Date: November 9, 2012

Yogesh Mathur
Group CFO

Minni Katariya
Head Legal and
Company Secretary