

MOSER BAER INDIA LIMITED
BALANCE SHEET AS AT MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

	Notes	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	1,683,061,040	1,683,061,040
Reserves and surplus	5	1,807,092,703	6,907,816,427
		<u>3,490,153,743</u>	<u>8,590,877,467</u>
Share application money pending allotment	6	<u>200,000,000</u>	-
Non current liabilities			
Long term borrowings	7	10,882,614,589	3,862,386,342
Other long term liabilities	8	1,790,058,180	1,793,208,098
Long term provisions	9	226,321,781	199,287,049
		<u>12,898,994,550</u>	<u>5,854,881,489</u>
Current liabilities			
Short term borrowings	10	6,670,347,004	8,706,200,440
Trade payables	11	3,320,696,489	3,290,929,990
Other current liabilities	12	8,812,812,803	10,095,626,812
Short term provisions	13	1,057,516,167	2,218,990,115
		<u>19,861,372,463</u>	<u>24,311,747,357</u>
		<u>36,450,520,756</u>	<u>38,757,506,313</u>
ASSETS			
Non current assets			
Fixed assets			
(a) Tangible assets	14	9,523,971,967	12,254,607,229
(b) Intangible assets	14	177,105,914	85,603,087
(c) Capital work in progress		3,849,997	46,611,684
(d) Intangible assets under development		-	92,648,334
Non current investments	15	6,840,395,732	7,009,248,108
Long term loans and advances	16	1,546,954,710	1,507,951,610
Other non current assets	17	2,793,188,863	2,982,791,972
		<u>20,885,467,183</u>	<u>23,979,462,024</u>
Current assets			
Inventories	18	5,277,353,317	5,593,935,542
Trade receivables	19	6,360,605,550	7,287,969,238
Cash and bank balances	20	1,309,013,830	833,432,018
Short term loans and advances	21	601,313,312	508,329,808
Other current assets	22	2,016,767,564	554,377,683
Total current assets		<u>15,565,053,573</u>	<u>14,778,044,289</u>
		<u>36,450,520,756</u>	<u>38,757,506,313</u>

The accompanying notes from 1 to 48 are an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For Walker, Chandio & Co
Chartered Accountants

per Ashish Gupta
Partner

Place: New Delhi
Date: May 30, 2013

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

Deepak Puri
Chairman and
Managing Director

Yogesh Mathur
Group CFO

Nita Puri
Director

Minni Katariya
Head Legal and
Company Secretary

MOSER BAER INDIA LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013
(All amounts in rupees, unless otherwise stated)

	Notes	Year ended March 31, 2013	Year ended March 31, 2012
REVENUE			
Revenue from operations (gross)	23	15,220,138,628	21,393,620,674
Less: Excise duty		<u>557,037,410</u>	<u>572,312,131</u>
Revenue from operations (net)		14,663,101,218	20,821,308,543
Other income	24	<u>799,852,187</u>	<u>461,648,445</u>
Total revenue		<u>15,462,953,405</u>	<u>21,282,956,988</u>
Expenses			
Cost of materials consumed	25	7,307,567,563	10,219,762,870
Purchases of stock in trade	26	91,578,115	68,081,885
Change in stock of finished goods, stock in trade and work in progress	27	100,983,754	886,843,542
Employee benefits expense	28	1,801,567,844	1,797,352,156
Depreciation, amortisation and impairment	29	2,902,323,680	3,395,043,904
Amortisation of foreign currency monetary item translation difference account		515,366,123	363,121,552
Finance cost	30	1,966,742,273	2,390,009,342
Other expenses	31	<u>5,386,949,315</u>	<u>5,356,973,690</u>
Total expenses		<u>20,073,078,667</u>	<u>24,477,188,941</u>
(Loss) before exceptional items and tax		<u>(4,610,125,262)</u>	<u>(3,194,231,953)</u>
Exceptional items	32	<u>18,461,592</u>	-
(Loss) before tax		<u>(4,591,663,670)</u>	<u>(3,194,231,953)</u>
Tax expense:			
-Current tax		-	-
-Deferred tax		-	-
(Loss) for the year		<u>(4,591,663,670)</u>	<u>(3,194,231,953)</u>
(Loss) per equity share (refer note 41):			
-Basic		(27.28)	(18.98)
-Diluted		(27.28)	(18.98)

The accompanying notes from 1 to 48 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 Ashish Gupta
Partner

Place: New Delhi
Date: May 30, 2013

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

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Director

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Company Secretary

MOSER BAER INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Cash flow from operating activities:			
Net loss before income tax		(4,591,663,670)	(3,194,231,953)
Adjustments to reconcile net loss to net cash provided by / (used in) operating activities:			
Depreciation, amortisation and impairment		2,902,323,680	3,395,043,904
Amortisation of foreign currency monetary item translation difference account		515,366,123	363,121,552
(Profit)/Loss on sale of fixed assets		(8,790,243)	(5,843,189)
Unrealised foreign exchange (gain)/loss		(193,717,982)	36,273,262
Finance cost		1,966,742,273	2,390,009,342
Interest Income		(225,283,251)	(260,737,921)
Provision for employee benefits		6,891,235	(4,998,957)
Old liabilities and provisions no longer required written back		(25,784,675)	(132,596,309)
Provision for warranty		1,448,781	(9,299,046)
Debts/Advances written off		60,131	81,668
Provision for other probable obligation		35,449,829	35,449,829
Provision for slow moving stock		-	5,514,544
Exceptional Item: Loss/(Income)		(18,461,592)	-
Operating profit before working capital changes		364,580,639	2,617,786,725
Changes in working capital			
(Increase)/decrease in inventories		316,582,225	898,885,590
(Increase)/decrease in trade receivables		1,191,794,876	(775,456,421)
(Increase)/decrease in loans and advances and other assets		(1,466,469,929)	803,753,560
Increase/(decrease) in trade payables		10,234,547	(591,196,737)
Cash generated from operating activities		416,722,358	2,953,772,717
Income tax (paid)/refund (net of tax deducted at source)		33,146,592	(4,170,298)
Net cash generated from operating activities	A	449,868,950	2,949,602,420
Cash flow from investing activities:			
Purchase of fixed assets/additions to capital work in progress		(131,077,854)	(453,323,528)
Proceeds from sale of fixed assets		24,207,367	92,926,404
Investment in subsidiary companies		-	(500,000)
Advances given to subsidiaries		(70,784,460)	(88,540,037)
Net Proceeds from fixed deposits		(125,191,575)	63,685,758
Interest received		62,924,413	185,872,818
Net cash (used in) investing activities	B	(239,922,109)	(199,878,585)

MOSER BAER INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

	Notes	Year ended March 31, 2013	Year ended March 31, 2012
Cash flow from financing activities:			
Repayment of long term borrowings		(1,225,206,328)	(2,701,601,994)
Proceeds from long term borrowings (refer note d below)		5,088,070,024	-
Net proceeds from short term borrowings (refer note d below)		(2,031,189,677)	1,768,348,375
Finance costs paid		(1,890,853,617)	(2,165,265,312)
Dividend paid for earlier years		(377,008)	(745,280)
Promoters contribution received		200,000,000	-
Net cash provided by / (used in) financing activities	C	140,443,396	(3,099,264,211)
Net increase/(decrease) in cash and cash equivalents	A + B + C	350,390,237	(349,540,377)
Cash and cash equivalents at beginning of the year		246,663,259	596,203,636
Cash and cash equivalents at end of the year		597,053,496	246,663,259
		350,390,237	(349,540,377)

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. The proceeds from long term borrowings comprise of refund received from the banks amounting to Rs 2,223,534,877, working capital term loan carved out from short term borrowings amounting to Rs.1,399,900,000 (reflected in net proceeds from short term borrowings above) and interest liability converted into funded interest term loan amounting to Rs. 1,464,635,147 due to implementation of corporate debt restructuring (refer note 7(c)).
3. Figures in brackets indicate cash outflow.
4. 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 48 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 Ashish Gupta
Partner

Place: New Delhi
Date: May 30, 2013

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

Deepak Puri
Chairman and
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MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(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/ capitalised with the related fixed assets.

Capital expenditure incurred on rented properties is recorded as leasehold improvements under fixed assets to the extent such expenditure is of a permanent nature. Expenditure on assets which are of removable nature are recorded in the respective category of assets.

(ii) Intangible assets

Intangible assets are stated at cost less accumulated amortisation. The cost incurred to acquire technical know how with "right to use and exploit" are capitalised where the right allows the Company to obtain a future economic benefit from use of such know how.

Further, expenditure incurred on knowhow yielding future economic benefits is recognised as internally generated intangible asset at cost less accumulated amortisation and impairment losses, if any.

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

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 Rs. 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 amortised on a straight line basis over the useful life of 5-10 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 realisable value.

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

- Cost of raw materials, goods held for resale, packing materials and stores and spares is determined on the basis of weighted average method.

- Cost of work in progress and finished goods is determined by considering direct material cost, labour costs and appropriate portion of overheads and non-recoverable duties.

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

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

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

(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 their intended use, are capitalised. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

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

(i) Employee benefits

(i) Provident fund and Employees' state insurance

The Company makes contribution to the 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.

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.

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

(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 amortised 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 Act.

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 aforementioned Income tax Act and as per the applicable overseas laws relating to a foreign branch.

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(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 a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such losses can be set off.

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

(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 granted to the employees and to the non-executive Directors who accepted the grant under the Company's Stock Option Plans 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
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013
(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
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

4 Share capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount	Number	Amount
Authorised				
Equity shares of Rs. 10 each	1,250,000,000	12,500,000,000	300,000,000	3,000,000,000
Issued				
Equity shares of Rs. 10 each	168,306,104	1,683,061,040	168,306,104	1,683,061,040
Subscribed & fully paid up				
Equity shares of Rs. 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) Terms and rights attached to equity shares :

The Company has one class of equity shares having par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

(No. of Shares)

Particulars	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31 2008
Equity shares allotted as fully paid up bonus shares by capitalisation of general reserve.	-	-	-	-	25,000	56,077,035

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

Particulars	As at March 31, 2013		As at March 31, 2012	
	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, 2013		As at March 31, 2012	
	No. of shares held	% of holding	No. of shares held	% of holding
Deepak Puri & HUF	27,420,141	16.3	6,745,473	4.0
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
Woodgreen Investments Ltd.	-	-	22,050,000	13.1
Ratul Puri	-	-	16,143,753	9.6
Ealing Investments Ltd.	-	-	9,600,000	5.7
Bloom Investments Ltd.	-	-	9,600,000	5.7
Randall Investments Ltd.	-	-	9,600,000	5.7

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

In case of Directors' Stock Option Plan, the exercise price shall be Rs. 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, 2013		For the year ended March 31, 2012	
	Number	Weighted Average Price	Number	Weighted Average Price
Options outstanding at beginning of year	1,233,950	257.39	1,588,435	246.22
Add:Options granted	-	-	-	-
Less:Options Exercised	-	-	-	-
Less:Options Cancelled	284,800	167.44	140,005	189.97
Less:Options Lapsed	294,700	220.79	214,480	218.66
Less:Options Forfeited				
Options outstanding at the end of year	654,450	313.02	1,233,950	257.39
Option exercisable at the end of year	629,050	318.82	1,090,646	271.01

The options outstanding at the end of year had exercise price in the range of Rs. 125 to Rs. 491.90 (previous year Rs. 125 to Rs. 491.90) and a weighted average remaining contractual life of 0.08 years (previous year 0.79 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 at the date of grant
- (ii) Special allocation:- 50% of the options at Rs. 125 per option or prevailing market price, whichever is higher and the balance 50% of the options at Rs. 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 Nil) 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.

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

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Number	Weighted Average Price (Rs.)	Number	Weighted Average Price (Rs.)
Options outstanding at beginning of year	2,081,204	76.82	2,588,740	76.86
Add: Options Granted	-	-	-	-
Less: Options Exercised	-	-	-	-
Less: Options Cancelled	548,967	76.98	507,536	77.02
Less: Options Lapsed	-	-	-	-
Less: Options Forfeited	-	-	-	-
Options outstanding at the end of year	1,532,237	76.77	2,081,204	76.82
Option exercisable at the end of year	926,874	77.98	759,974	78.45

The options outstanding at the end of year had exercise price in the range of Rs. 46.30 to Rs. 170.00 (previous year Rs. 46.30 to Rs. 170.00) and a weighted average remaining contractual life of 1.09 years (previous year 2.05 years).

- (c) The impact on the loss of the Company for the year ended March 31, 2013 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, 2013	For the year ended March 31, 2012
(Loss) after tax as per statement of profit and loss (a)	(4,591,663,670)	(3,194,231,953)
Add: Employee stock compensation expenses as per intrinsic value method	-	-
Less: Employee stock compensation expenses as per fair value method	(48,041,866)	(17,054,378)
(Loss) after tax recomputed for recognition of employee stock compensation expenses under fair value method (b)	(4,543,621,804)	(3,177,177,575)
(Loss) per share based on earning as per (a) above:		
-Basic	(27.28)	(18.98)
-Diluted	(27.28)	(18.98)
(Loss) per share had fair value method been employed for accounting of employee stock options as per (b) above:		
-Basic	(27.00)	(18.88)
-Diluted	(27.00)	(18.88)

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

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5 Reserves and surplus

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Capital reserve		
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	7,139,740,803	7,868,559,355
Less: Premium on redemption of foreign currency convertible bonds (refer note 44(b))	606,568,486	728,818,552
Closing balance	6,533,172,317	7,139,740,803
(c) Foreign currency monetary items translation difference account		
Opening balance	(97,508,432)	32,392,554
Add: Exchange gain/(loss) of long term foreign currency liabilities	(417,857,691)	(493,022,538)
Add: Amortised in statement of profit and loss	515,366,123	363,121,552
Closing balance	-	(97,508,432)
(d) General reserve		
Opening balance	-	2878,376,009
Add: Transfer from statement of profit and loss	-	(2,878,376,009)
Closing balance	-	-
(e) Surplus/(Deficit) as per statement of profit and loss		
Opening balance	(315,855,944)	-
Add: (Net loss) for the year	(4,591,663,670)	(3,194,231,953)
Add : Transfer to general reserve	-	(2,878,376,009)
Closing balance	(4,907,519,614)	(315,855,944)
Total	1,807,092,703	6,907,816,427

6 Share application money pending allotment represents contribution received from promoters under CDR scheme, refer note 7(c) for more details on CDR Scheme. The equity shares are expected to be allotted against the share application money within a reasonable period. The company has sufficient authorised capital to cover the share capital amount on allotment of above shares.

7 Long term borrowings

Particulars	As at March 31, 2013	As at March 31, 2012
Secured		
Term loans		
(a) Rupee loan from banks		
Term loan	8,705,553,835	3,862,386,342
Working capital term loan	1,108,448,000	-
Funded interest term loan	614,865,000	-
(b) Rupee loan from others		
Term loan	304,370,877	-
Working capital term loan	123,464,000	-
Funded interest term loan	25,912,877	-
Total	10,882,614,589	3,862,386,342

(Also Refer note 46 defaults in repayment of dues to the bank)

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Note

Secured loans

(a) Nature of security and terms of repayment for secured borrowings as at March 31, 2013

Particulars	Loan outstanding as at March 31, 2013	Security	Terms of repayment
Term loans under CDR	9,581,198,805	(i) First pari passu charge on fixed assets (ii) Second pari passu charge on current assets of the Company (iii) Pledge of 100% shareholding of the promoters of the Company (iv) Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri	Repayable in 32 quarterly installments after moratorium of 2 years from cut off date i.e. November 30, 2011 commencing from February 2014
Working capital term loan	1,399,900,000	(v) Negative lien on land of Moser Baer Infrastructure and Developer Limited at Chennai on pari passu basis (vi) Corporate guarantee of Moser Baer Infrastructure and Developers Limited. (subsidiary of the Company that owns the rights to the Chennai land)	Repayable in 16 quarterly installments after moratorium of 2 years from cut off date i.e. November 30, 2011, commencing from February 2014
Funded interest term loan	1,464,635,147	(vii) Pledge of shares of Moser Baer Infrastructure and Developers Limited	Repayable in 7 quarterly installments commencing from September 30, 2013
Term loan-other	18,750,000	First pari passu charge on fixed assets	Repayable in 16 quarterly installments effective from May, 2008
Total	12,464,483,952		
Less : Current portion of long term debts	1,581,869,363		
Net long term borrowings	10,882,614,589		

(b) Nature of security and terms of repayment for secured borrowings (Term Loan) as at March 31, 2012:

Nature of borrowings	Loan outstanding as at March 31, 2012	Security	Terms of Repayment
Term loan	500,000,000	First pari passu charge on fixed assets	Loan repayable in June 2013 after a moratorium of 36 months
Term loan	138,461,539		Loan repayable in 13 quarterly installments effective from September 2009
Term loan	1,166,666,666		Loan repayable in 12 quarterly installments effective from December 2010
Term loan	24,994,871		Loan repayable in 20 quarterly installments effective from September 2007
Term loan	875,000,000		Loan repayable in 08 quarterly installments effective from November 2011
Term loan	375,000,000		Loan repayable in 04 quarterly installments effective from December 2011
Term loan	125,000,000		Loan repayable in 04 quarterly installments effective from June 2011
Term loan	750,000,000		Loan repayable in 04 quarterly installments effective from November 2011
Term loan	1,250,000,000		Loan repayable in 12 quarterly installments effective from February 2013

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Term loan	375,000,000		Loan repayable in 18 quarterly installments effective from December 2010
Term loan	18,750,000		Loan repayable in 16 quarterly installments effective from May 2008
Term loan	500,000,000		Loan repayable in 1 installment effective from March 2012
Term loan	125,000,000		Loan repayable in 08 quarterly installments effective from August 2010
Term loan	273,474,188		Loan repayable in 10 quarterly installments effective from March 2010
Term loan	1,000,000,000		Loan repayable in 02 installments in October 2012 & October 2014
Term loan	999,900,000		Loan repayable in 12 quarterly installments effective from December 2012
Term loan	97,827,432		Loan repayable in 16 quarterly installments effective from September 2008
Total	8,595,074,696		
Less : Current portion of long term debts	4,732,688,354		
Net long term borrowings	3,862,386,342		

(c) Interest rates

- Interest rate on long term borrowings varies from 10.25% to 11% p.a (previous year 12% to 16.50%).

(d) Corporate debt restructuring scheme

The Company executed the Master Restructuring Agreement (MRA) / other definitive documents on December 27, 2012 with the lenders banks (except in case of one lender bank), consequent to approval from Corporate Debt Restructuring Empowered Group (CDR-EG) to re-structure Company's existing debt obligations, including interest, additional funding and other terms (hereafter referred to as "the CDR Scheme").

Under the CDR scheme, the Company is entitled to the reliefs and concessions granted by the lender banks, with effect from December 01, 2011 ('the Relevant Date'). Also, as a part of the CDR scheme, the promoters were required to contribute funds in accordance with letter of approval. As a consequence, the Company received a contribution from its promoters amounting to Rs. 200,000,000 on February 18, 2013 against which shares were issued on May 30, 2013 by the Company after receiving the necessary approval of the shareholders.

Considering the MRA have been signed by all the lender banks (except one lender bank as explained above) and Company has complied with all the necessary conditions precedent, the monitoring institution in the joint lender meeting held on March 07, 2013, declared the CDR package as implemented, as per RBI Guidelines. Accordingly, the Company accounted for CDR scheme (reclassifications and interest calculations) in the books for the year ended March 31, 2013 (except for owings to one lender bank) as follows, which are subject to reconciliation and approval by the lenders banks:

- The short term borrowings comprising cash credit and other working capital limits amounting to Rs. 1,399,900,000 have been reclassified as Working Capital Long Term Loan (WCTL) including current maturities of Rs. 167,988,000 as at March 31, 2013.
- The existing term loan of Rs.9,599,948,806 has been classified as long term borrowing including current maturities of Rs. 593,621,928.
- The interest due w.e.f. December 01, 2011 till March 31, 2013 at revised rates amounting to Rs. 1,464,635,147 has been converted into Funded Interest Term Loan (FITL) including current maturities amounting to Rs. 820,140,488.

From November 30, 2011 (the "cut-off date"), the interest on the restructured debts has been recomputed and provided at the effective interest rates as per the package on the balances as appearing in the books of account pending confirmations from various lenders. Accordingly, interest reversal of Rs. 187,313,968 pertaining to period from December 1, 2011 to March 31, 2012 has been shown as exceptional item during the year.

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8 Other long term liabilities

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred government grant (refer note below)	35,000,000	35,000,000
Security deposits from		
-Subsidiaries	1,715,000,000	1,715,000,000
-Others	200,000	12,634,768
Retention money	2,210,731	2,210,731
Lease equalisation reserve	37,647,449	28,362,599
Total	1,790,058,180	1,793,208,098

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 FY 2010-11, the Company received R&D grant of Rs 35,000,000 out of the total grant of Rs 71,050,000 being 50 % of the total project equipment cost of Rs 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 against the cost of specific fixed assets.

9 Long term provisions

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits		
Gratuity (refer note 43)	138,044,998	101,396,787
Unavailed leave (refer note 43)	81,232,141	87,351,269
Key resource bonus and deferred salary (refer note below)	7,044,642	10,538,993
Total	226,321,781	199,287,049

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, 2013	For the year ended March 31, 2012
Balance as at the beginning of the year	40,631,914	81,467,705
Add: Provision made during the year	19,029,825	32,434,154
Less: Paid/ written back during the year	(41,875,412)	(73,269,945)
Balance as at the end of the year	17,786,327	40,631,914
Less: Amount classified under short term provisions	10,741,685	30,092,921
Balance as at the end of the year	7,044,642	10,538,993

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10 Short term borrowings

Particulars	As at March 31, 2013	As at March 31, 2012
Short term loans (secured)		
(a) From banks		
- Secured by first pari passu charge on all current assets of the Company and further by way of second charge on all fixed assets of the Company (refer note below)	6,141,260,238	7,812,387,084
- Secured by lien on fixed deposits	46,005,052	225,593,396
(b) From others		
- Secured by first pari passu charge on all current assets of the Company and further by way of second charge on all fixed assets of the Company (refer note below)	483,081,714	668,219,960
Total	6,670,347,004	8,706,200,440

Note :

Short term loans outstanding as at March 31, 2013 are further secured by as per below :

- (i) Pledge of 100% shareholding of the promoters of the Company.
- (ii) Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri.
- (iii) Negative lien on land of Moser Baer Infrastructure and Developers Limited at Chennai on pari passu basis.
- (iv) Corporate guarantee of Moser Baer Infrastructure and Developers Limited (subsidiary of the Company that owns the rights to the Chennai land).
- (v) Pledge of shares of Moser Baer Infrastructure and Developers Limited.

11 Trade payables

Particulars	As at March 31, 2013	As at March 31, 2012
Acceptances	1,002,591,556	1,015,231,623
Trade creditors		
- Dues to micro small and medium enterprises (refer note 45)	64,445,555	15,785,039
- Dues to others	2,253,659,378	2,259,913,328
Total	3,320,696,489	3,290,929,990

12 Other current liabilities

Particulars	As at March 31, 2013	As at March 31, 2012
Current maturities of long term loans	1,581,869,363	4,732,688,354
Current maturities of foreign currency convertible bonds (refer note 44(d))	4,805,107,500	4,503,765,000
Current maturities of premium on redemption of foreign currency convertible bonds	1,784,830,756	-
Interest accrued but not due on borrowings	830,796	9,788,078
Interest accrued and due on borrowings	199,539,615	306,401,947
Income received in advance	1,426,595	1,485,524
Unpaid dividends	3,302,623	3,679,631
Others		
-Capital creditors	97,693,188	164,860,470
-Employee benefits payable	173,622,948	197,503,810
-Statutory dues	75,262,365	89,528,952
-Security deposits received	15,272,951	4,615,951
-Retention money	45,139,930	46,498,568
-Other accrued liabilities	28,914,173	34,810,527
Total	8,812,812,803	10,095,626,812

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Note :

The outstanding foreign currency convertible bonds (FCCBs) aggregating to principal value of USD 885 lacs (equivalent to Rs 48,051lacs) matured for redemption on June 21, 2012, which have since been claimed by the trustee of the bondholders. The Company has applied for relevant regulatory approvals and meanwhile is in discussions with the bondholders through the Trustee, to re-structure these bonds. Pending acceptance by the bondholders and approval from the concerned regulatory authorities of the terms proposed by the Company, the financial obligations of the Company, other than premium on redemption, are presently not reasonably determinable, and hence have not been provided for. The trustee on behalf of certain bondholders has also filed a petition under section 434 of the Companies Act, 1956 with Hon'ble High Court of Delhi, which is pending.

13 Short term provisions

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Provision for employee benefits		
Unavailed leaves	10,216,548	11,008,810
Key resource bonus and deferred salary (refer note 9)	10,741,685	30,092,921
(b) Others		
Provision for taxation	1,869,939	1,836,729
Provision for warranty (refer note below)	7,296,257	5,847,476
Provision for other probable obligations (refer note below)	412,503,835	377,054,006
Provision for redemption of FCCB (refer note 44(b))	614,887,903	1,793,150,173
Total	1,057,516,167	2,218,990,115

Note :

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

Particulars	Warranty*		Probable obligations**	
	For year ended March 31, 2013	For year ended March 31, 2012	For year ended March 31, 2013	For year ended March 31, 2012
Balance as at the beginning of the year	5,847,476	15,146,521	377,054,006	341,604,177
Add: Provision made during the year	5,720,994	9,629,918	35,449,829	35,449,829
Less: Utilised/Written back during the year	(4,272,214)	(18,928,963)	-	-
Balance as at the end of the year	7,296,256	5,847,476	412,503,835	377,054,006

* 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.

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14 Fixed Assets

Particulars	Gross block			Accumulated depreciation and amortisation				Net Block	
	Balance as at April 1, 2012	Additions	Deletions	Balance as at March 31, 2013	Balance as at April 1, 2012	Charge for the year	Adjustment upon Deletions	Balance as at March 31, 2013	Balance as at March 31, 2012
Tangible assets									
Leasehold land	273,666,570	-	-	273,666,570	29,238,496	2,966,303	-	32,204,799	241,461,771
Buildings	3,295,543,598	10,409,909	3,886,663	3,302,066,844	956,655,965	109,695,991	3,886,663	1,062,465,293	2,239,601,551
Plant and equipments	40,636,384,947	135,604,203	47,204,230	40,724,784,920	31,168,157,867	2,719,198,681	35,393,847	33,851,962,701	6,872,822,219
Furniture and fixtures	176,924,064	150,450	952,762	176,121,752	87,436,061	9,486,283	380,950	96,541,394	79,580,358
Vehicles	21,658,633	-	2,091,957	19,566,676	12,842,260	1,685,780	1,073,591	13,454,449	6,112,226
Office equipments	102,651,950	-	594,924	102,057,026	40,768,409	4,594,992	248,262	45,115,139	56,941,887
Computer equipments	209,946,034	245,218	693,517	209,497,735	167,069,509	15,545,502	569,230	182,045,781	27,451,955
Total	44,716,775,796	146,409,780	55,424,053	44,807,761,523	32,462,168,567	2,863,173,532	41,552,543	35,283,789,556	9,523,971,967
Previous year	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
Intangible assets									
Computer software	74,614,614	(0)	4,311,930	70,302,684	55,910,695	6,573,966	2,766,317	59,718,364	10,584,320
Technical know how	306,181,620	132,198,588	-	438,380,208	239,282,452	32,576,162	-	271,858,614	166,521,594
Total	380,796,234	132,198,588	4,311,930	508,682,892	295,193,147	39,150,148	2,766,317	331,576,978	177,105,914
Previous year	365,673,154	15,123,080	-	380,796,234	297,997,929	30,044,100	32,848,882	295,193,147	85,603,087

Notes:

- Additions to plant and machinery include exchange loss of Rs. 70,914,578 (previous year exchange loss of Rs. 82,242,121).
- Gross block of fixed assets include Rs. 418,448,955 (previous year Rs. 418,448,955) relating to the SEZ division of the Company.

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15 Non-current investments

Particulars	As at March 31, 2013		As at March 31, 2012	
Trade investments				
(1) Investment in Equity shares				
(a) <u>Subsidiaries</u>				
European Optic Media Technology GMBH Share Capital of € 2,025,000 (previous year € 2,025,000) Includes reserve capital of Rs. 111,689,796 (previous year Rs. 111,689,796)	222,953,546		222,953,546	
Less: Provision for diminution	168,852,376	54,101,170	-	222,953,546
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 Rs 10 each		30,000,000		30,000,000
Moser Baer Entertainment Limited 270,000 (previous year 270,000) equity shares of Rs 10 each		2,700,000		2,700,000
6,000,000 (previous year 6,000,000) equity shares of Rs 10 each issued at premium of Rs. 90 each.		600,000,000		600,000,000
Moser Baer Investments Limited 1,400,000 (previous year 1,350,000) equity shares of Rs 10 each.		14,000,000		14,000,000
(b) <u>Associates</u>				
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	92,532,185	-	92,532,185	-
Moser Baer Infrastructure Limited 3,430,000 (previous year 3,430,000) equity shares of Rs. 10 each	34,300,000		34,300,000	
Less: Provision for diminution	34,300,000	-	34,300,000	-
(c) <u>Others</u>				
Lumen Engineering Private Limited 102,000 (previous year 102,000) equity shares of Rs. 10 each		1,020,000		1,020,000
Moser Baer Projects Private Limited 510,000 (previous year 510,000) equity shares of Rs 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>1,359,624,872</u>		<u>1,528,477,248</u>
(2) Investments in Preference shares				
(a) <u>Subsidiaries</u>				
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	(223,624,000)	75,532,000	(223,624,000)	75,532,000

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Particulars	As at March 31, 2013	As at March 31, 2012
Moser Baer Photo Voltaic Limited		
86,500,000 (previous year 86,500,000) 9% cumulative, convertible, redeemable series A preference shares of Rs. 10 each	865,000,000	865,000,000
26,021,466 (previous year 26,021,466) 9% cumulative, redeemable series B1 preference shares of Rs. 10 each	260,214,660	260,214,660
33,887,760 (previous year 33,887,760) 9% cumulative, redeemable series B2 preference shares of Rs. 10 each	<u>338,877,600</u>	<u>338,877,600</u>
	1,464,092,260	1,464,092,260
Moser Baer Solar Limited		
105,000,000 (previous year 105,000,000) class C redeemable preference shares of Rs.10 each.	1,050,000,000	1,050,000,000
41,000,000 (previous year 41,000,000) series C redeemable preference shares of Rs.10 each	<u>410,000,000</u>	<u>410,000,000</u>
	1,460,000,000	1,460,000,000
Moser Baer SEZ Developer Limited		
7,500,000 (previous year 7,500,000) 9% compulsorily cumulative convertible preference shares of Rs. 10 each at the premium of Rs 90 each	750,000,000	750,000,000
Moser Baer Entertainment Limited		
50,000,000 (previous year 50,000,000) 10% cumulative, redeemable preference shares of Rs 10 each.	500,000,000	500,000,000
10,000,000 (previous year 10,000,000) 15% cumulative, redeemable series B preference shares of Rs. 10 each	<u>100,000,000</u>	<u>100,000,000</u>
	600,000,000	600,000,000
Moser Baer Investments Limited		
63,114,660 (previous year 63,114,660) compulsorily convertible preference shares of Rs. 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		
1 (previous year 1) 13.25% non convertible debentures of Rs. 60,000,000 each	60,000,000	60,000,000
1 (previous year 1) 13.25% non convertible debentures of Rs. 65,000,000 each	65,000,000	65,000,000
1 (previous year 1) 13.25% non convertible debentures of Rs. 375,000,000 each	375,000,000	375,000,000
	500,000,000	500,000,000
	<u>500,000,000</u>	<u>500,000,000</u>
Total	6,840,395,732	7,009,248,108

Particulars	As at March 31, 2013	As at March 31, 2012
Aggregate amount of unquoted investments	6,840,395,732	7,009,248,108
Aggregate amount of provision for diminution	839,977,384	671,125,008

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(All amounts in rupees, unless otherwise stated)

16 Long term loans and advances

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good unless otherwise stated		
Capital advances	48,361,055	56,734,250
Security deposits	70,505,021	57,605,270
Loan to subsidiaries	1,214,299,084	1,192,920,049
Prepaid expenses	1,028,600	3,310,982
Prepaid taxes (net of provision for tax Rs.82,635,015 (previous year Rs.82,635,015))	67,346,529	63,118,218
Balances with government authorities	145,414,421	134,262,841
	1,546,954,710	1,507,951,610

17 Other non current assets

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Lease rent receivable		
-Secured, considered good	1,715,000,000	1,715,000,000
-Unsecured, considered good	1,009,095,014	1,237,719,672
	2,724,095,014	2,952,719,672
(b) Others		
-Margin money	33,119,589	403,080
-Lease equalisation account	35,974,260	29,669,220
	69,093,849	30,072,300
Total	2,793,188,863	2,982,791,972

18 Inventories

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Raw materials and components	642,491,592	783,405,948
Goods-in transit	98,129,260	73,734,419
	740,620,852	857,140,367
(b) Work-in-progress	2,112,003,373	2,022,939,791
	2,112,003,373	2,022,939,791
(c) Finished goods	1,336,743,136	1,513,518,462
	1,336,743,136	1,513,518,462
(d) Stock-in-trade	25,709,530	35,147,068
	25,709,530	35,147,068
(e) Stores and spares	902,654,683	968,766,411
Goods-in transit	3,228,141	4,855,006
	905,882,824	973,621,417

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(f) Loose tools	3,816,518	4,079,136
	3,816,518	4,079,136
(g) Packing material Goods-in transit	125,678,393	177,107,964
	26,898,691	10,381,337
	152,577,084	187,489,301
Total	5,277,353,317	5,593,935,542

19 Trade receivables

Particulars	As at March 31, 2013	As at March 31, 2012
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
-Unsecured, considered good	1,719,046,843	2,293,931,234
-Unsecured, considered doubtful	259,145,075	251,567,999
-Less: Provision for doubtful debts	(259,145,075)	(251,567,999)
	1,719,046,843	2,293,931,234
Others		
-Unsecured, considered good	4,641,558,707	4,994,038,004
	4,641,558,707	4,994,038,004
Total	6,360,605,550	7,287,969,238

20 Cash and bank balances

Particulars	As at March 31, 2013	As at March 31, 2012
Cash and cash equivalents		
Cash in hand	1,177,529	1,890,518
Funds in transit	45,009,805	63,791,066
Cheques in hand	515,234	15,646
Bank balances in		
-Current accounts	465,150,928	180,966,029
-Deposits with less than 3 months maturity	85,200,000	-
	597,053,496	246,663,259
Other bank balances		
Fixed deposits with maturity more than 3 months but less than 12 months	399,449,832	119,708,113
Margin money with maturity less than 12 months	309,207,878	463,381,014
Unpaid dividend accounts	3,302,624	3,679,632
	711,960,334	586,768,759
Total	1,309,013,830	833,432,018

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21 Short term loans and advances

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Loans and advances to related parties		
Unsecured, considered good	161,999,377	98,158,736
(b) Others		
Unsecured, considered good		
- Advances to suppliers	59,954,992	53,401,800
- Prepaid expenses	63,723,661	81,786,151
- Security deposits	13,817,121	20,124,568
- Balance with government authorities	256,795,296	189,357,506
- Advances to employees	1,849,758	4,976,939
- Amount due from directors	16,081,627	-
- Prepaid taxes	-	33,113,382
- Others	27,091,480	27,410,726
Unsecured, considered doubtful		
- Taxes recoverable	449,294	449,294
- Less: Provision	<u>(449,294)</u>	<u>(449,294)</u>
Total	601,313,312	508,329,808

Note:

Amount due from director represents remuneration paid to Managing Director in excess of Schedule XIII of Companies Act, 1956 for the period September 1, 2011 to March 31, 2013 which was paid by the Company during the year ended March 31, 2013 and for which an application has been filed with the Central Government which is pending for their approval.

22. Other current assets

Particulars	As at March 31, 2013	As at March 31, 2012
Interest accrued on fixed deposits	18,535,982	25,974,269
Interest accrued on investments	103,463,706	37,764,315
Interest accrued and due on loan to subsidiaries	329,672,726	225,574,992
Lease rent receivable	230,703,919	205,966,979
Recoverable from banks under CDR Scheme (refer note 7(c))	1,334,391,231	-
Non-current assets classified as held for sale	-	59,097,128
Total	2,016,767,564	554,377,683

23 Revenue from operations

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Sale of products (refer note (i) below):		
- Finished goods	14,364,354,504	19,998,892,756
- Traded goods	30,484,276	42,372,704
	14,394,838,780	20,041,265,460
Sale of services (refer note (ii) below)	531,459,436	811,195,790
Other operating revenues:		
- Scrap sales	54,213,342	91,211,329

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-Old liabilities and provisions no longer required written back	25,784,675	132,596,309
-Export benefits - Focused product scheme	193,831,566	269,632,094
-Others	20,010,829	47,719,692
	293,840,412	541,159,424
Total	15,220,138,628	21,393,620,674

Notes:

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

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Finished goods		
-Optical media products	13,247,247,530	18,738,460,833
-Pen drives and cards	820,013,134	936,495,207
-Others	297,093,840	323,936,716
(A)	14,364,354,504	19,998,892,756
Traded goods		
-Information Technology and Consumer Electronic Products (IT&CE)	30,484,276	42,372,704
(B)	30,484,276	42,372,704
Total (A) + (B)	14,394,838,780	20,041,265,460

(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.

24 Other income

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest income on		
- Deposits with banks	51,354,396	83,243,794
- Loans to subsidiaries	103,706,519	109,507,549
- Income tax refunds	3,972,340	1,736,582
- Unquoted long term investments	66,249,996	66,249,996
Other non-operating income		
Profit on sale of fixed assets (net)	8,790,243	5,843,189
Lease rent	63,005,040	63,005,040
Gain on foreign currency transactions (net)	502,773,653	132,062,295
Total	799,852,187	461,648,445

25 Cost of material consumed

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Raw materials (refer note below)	6,050,431,547	8,563,412,260
Packing materials	1,257,136,016	1,656,350,610
Total	7,307,567,563	10,219,762,870

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Note:

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

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Polycarbonate	3,456,071,854	5,143,803,739
Silver	820,448,778	1,088,203,058
Others	1,773,910,915	2,331,405,463
Total	6,050,431,547	8,563,412,260

26 Purchase of stock in trade

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Purchase of Information Technology and Consumer Electronic Products (IT&CE)	14,363,076	36,433,364
Purchase of compact discs	64,264,255	30,732,238
Others	12,950,784	916,283
Total	91,578,115	68,081,885

27 Change in stock of finished goods, work in progress and traded goods

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Closing stock:		
-Finished goods	1,336,743,137	1,513,518,462
-Work in progress	2,112,003,373	2,022,939,791
-Traded goods	25,709,530	35,147,068
	3,474,456,040	3,571,605,321
Less: Opening 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
Excise duty on finished goods	(3,834,473)	2,796,323
Total	100,983,754	886,843,542

28 Employee benefits expense

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries wages and bonus	1,525,057,318	1,509,562,857
Contributions to -		
-Provident fund	77,865,690	80,758,655
-Employee's state insurance	10,247,769	13,313,127
-Gratuity fund (refer note 43)	36,648,230	35,718,029
Social security and other benefit plans for overseas employees	1,744,664	1,674,725
Staff welfare	150,004,173	156,324,763
Total	1,801,567,844	1,797,352,156

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29 Depreciation, amortisation and impairment

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Depreciation and amortisation	2,902,323,680	3,427,892,786
Reversal of impairment of intangible assets	-	(32,848,882)
Total	2,902,323,680	3,395,043,904

30 Finance cost

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest expense	1,966,742,273	2,387,941,217
Other borrowing costs	-	2,068,125
Total	1,966,742,273	2,390,009,342

31 Other expenses

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Consumption of stores and spares	476,125,590	500,214,360
Power and fuel	1,929,080,947	2,025,927,559
Freight and forwarding	218,493,784	355,551,867
Royalty	776,478,742	762,823,298
Commission on sales	6,719,263	5,176,874
Rent	618,752,879	634,702,976
Repairs		
-To buildings	1,112,522	958,814
-To machinery	45,542,659	65,303,497
-To others	24,452,088	28,304,623
Insurance	101,198,987	122,758,969
Outsourced staff cost	230,107,672	306,861,878
Rates and taxes	7,275,430	7,940,969
Remuneration to auditors (refer note below)	18,334,544	16,077,101
Travelling and conveyance	76,145,261	86,011,426
Legal and professional	190,051,206	65,407,584
Warranty expenses	24,504,269	9,629,918
Loss on cancellation of forward contracts (net)	306,762,087	34,075,634
Others	335,811,385	329,246,343
Total	5,386,949,315	5,356,973,690

Note:

Payment to auditors include the following:

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Statutory audit (including limited reviews)*	13,850,000	15,650,421
Certification	3,000,000	-
Out of pocket expenses	1,484,544	426,680
Total	18,334,544	16,077,101

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

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32 Exceptional items

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Reversal of interest expense for previous year under Corporate Debt Restructuring scheme(refer note 7(c))	187,313,968	-
Provision for diminution in long term investments*	(168,852,376)	-
Total	18,461,592	-

*Provision for diminution, other than temporary, in the value of non current investment in European Optic Media Technology GMBH, a subsidiary company.

33 Contingent liabilities

(a) Corporate guarantees given on behalf of the subsidiary companies: Rs.24,678,450,000 (previous year Rs. 24,099,600,000). Against these guarantees, loans aggregating Rs.15,270,411,636 (previous year Rs. 15,573,866,190) have been availed by the subsidiary companies.

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

Particulars	As at March 31, 2013	As at March 31, 2012
Entry tax [Amount paid under protest Rs. 10,354,421 (previous year Rs. 1,863,606) and bank guarantees furnished Rs. 10,919,501 (previous year Rs. 10,366,154)]	133,519,072	127,761,075
Service tax [Amount paid under protest Rs. 2,953,470 (previous year Rs. 2,953,470)]	367,384,719	351,157,722
Sales tax [Amount paid under protest Rs. 17,010,790 (previous year Rs. 10,725,595) and bank and other guarantees furnished Rs. 101,470,187 (previous year Rs. 13,645,780)]	121,988,323	121,658,833
Custom duty and excise duty [Amount paid under protest Rs. 5,796,635 (previous year Rs. 5,103,586) and bank guarantees furnished Rs. Nil (previous year Rs. Nil)]	527,676,009	486,001,268
Income tax [Amount paid under protest Rs. 34,500,000 (previous year Rs. 34,500,000)]	108,889,105	108,889,105
Total	1,259,457,228	1,195,468,003

(c) Claims against the Company not acknowledged as debts: Rs. Nil (previous year Rs. 78,048).

(d) Letters of credit opened by banks on behalf of the Company: Rs. 356,269,994 (previous year Rs. 285,514,138).

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.

34 Capital commitments

Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances): Rs. 155,128,173 (previous year Rs. 205,501,851).

35 (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 Rs. 94,482,855 (previous year Rs. 86,654,491). The total rent recovered on sub lease during the year is Rs. 63,005,040 (previous year Rs. 63,005,040).

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(b) Assets taken on operating lease

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

Particulars	As at March 31, 2013	As at March 31, 2012
Total of future minimum lease payments under non cancellable operating lease for period	62,505,000	123,204,266
a. Not later than one year	60,004,800	60,699,266
b. Later than one year but not later than five years	2,500,200	62,505,000
c. Later than five years	-	-
Total of future minimum sub-lease rental receivable for a period of three years	65,630,250	128,635,290

(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 Rs. 1,605,000,000 (previous year Rs 1,605,000,000) from the lessees which is refundable at the end of the lease term.

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

Particulars	As at March 31, 2013	As at March 31, 2012
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	1,678,894,866	1,767,239,521
Later than five years	868,920,234	1,226,915,579
Total	2,993,555,100	3,439,895,100
Present value of minimum lease payments receivable		
Not later than one year	262,434,824	298,768,842
Later than one year but not later than five years	729,342,478	867,093,757
Later than five years	(2,156,305)	122,527,240
Total	989,620,997	1,288,389,839
Unearned finance income	1,886,949,778	2,034,520,936
The present value of unguaranteed residual value	116,984,325	116,984,325

36 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, 2012	Movement during the year	As at March 31, 2013
Deferred tax liability			
Foreign currency monetary item translation difference account	31,636,611	(31,636,611)	-
Provision for lease rent equalisation	2,812,183	(766,513)	2,045,670
Total	34,448,794	(32,403,124)	2,045,670

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Deferred tax assets			
Provision for leave encashment and gratuity	34,448,794	(32,403,124)	2,045,670
Total	34,448,794	(32,403,124)	2,045,670
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.

37 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, 2013 are as under :

Currency exchange	USD/INR	EUR/USD	EUR/INR
(i) Number of 'buy' contracts	-	-	-
	<i>(1)</i>	-	-
(ii) Aggregate foreign currency amount	-	-	-
Rs. Value	-	-	-
Aggregate foreign currency amount	<i>(40,035)</i>	-	-
Rs. Value	<i>(2,062,203)</i>	-	-
(iii) Number of 'sell' contracts	9	-	1
	<i>(15)</i>	<i>(1)</i>	-
(iv) Aggregate foreign currency amount	10,000,000	-	2,000,000
Rs. Value	562,040,000	-	148,390,000
Aggregate foreign currency amount	<i>(57,590,401)</i>	<i>(5,000,000)</i>	-
Rs. Value	<i>(2,822,730,783)</i>	<i>(339,963,975)</i>	-

(b) The foreign currency exposures not hedged as at year end as at March 31, 2013 are as under:

Currency exchange	USD	EUR	GBP	CHF	JPY	SGD	SEK
Receivables in foreign currency	51,605,999	21,450,805	1	-	62,030	165	-
Rs. Value	2,801,431,675	1,490,723,663	117	-	35,779	7,200	-
Receivables in foreign currency	<i>(14,937,387)</i>	<i>(19,008,740)</i>	<i>(179)</i>	-	<i>(37,630)</i>	<i>(498)</i>	-
Rs. Value	<i>(760,014,230)</i>	<i>(1,290,123,175)</i>	<i>(14,616)</i>	-	<i>(23,285)</i>	<i>(20,146)</i>	-
Payables in foreign currency	117,860,458	1,512,249	14,771	198,780	65,526,512	99,498	-
Rs. Value	6,399,233,571	105,123,954	1,215,207	11,453,679	37,828,455	4,354,023	-
Payables in foreign currency	<i>(148,507,688)</i>	<i>(2,032,151)</i>	<i>(25,691)</i>	<i>(454,208)</i>	<i>(104,854,713)</i>	<i>(70,436)</i>	-
Rs. Value	<i>(7,557,556,263)</i>	<i>(137,962,727)</i>	<i>(2,093,802)</i>	<i>(25,635,496)</i>	<i>(64,936,524)</i>	<i>(2,854,047)</i>	-

Mark-to-market losses related to derivatives are Rs. Nil (previous year Rs. Nil)

Figures in bracket are previous year figures.

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

38 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, 2013	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012
Imported				
Value (Rs.)	6,010,990,246	8,592,000,783	240,928,954	254,272,487
Percentage	82.26	84.07	50.60	50.83
Indigenous				
Value (Rs.)	1,296,577,317	1,627,762,087	235,196,636	245,941,873
Percentage	17.74	15.93	49.40	49.17
Total	7,307,567,563	10,219,762,870	476,125,590	500,214,360
Percentage	100	100	100	100

39 Foreign currency transactions:

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(A) Value of imports on CIF basis:		
Purchase of finished goods	5,897,553	13,197,363
Raw material, including material in transit Rs. 100,695,411 (previous year Rs. 77,413,198)	3,283,285,105	4,911,141,976
Capital goods, including material in transit Rs. Nil (previous year Rs. Nil)	14,741,118	201,795,619
Stores, spares and consumables, including material in transit Rs 3,385,402 (previous year Rs. 5,089,051)	223,376,007	229,359,005
Packing material, including material in transit Rs. 28,091,254 (previous year Rs. 10,539,342)	363,859,349	56,807,993
Total	3,891,159,132	5,412,301,956
(B) Expenditure in foreign currency (on accrual basis) :		
Travel	10,525,953	16,560,217
Interest	-	7,961,946
Royalty/Technical know-how fees	776,478,742	762,823,298
Directors sitting fees	539,995	730,001
Legal and professional	89,383,287	15,869,588
Other expenditure	153,370,667	101,904,827
Expenditure of foreign branch/liaison office:		
-Staff welfare	83,208	33,160
-Rent/Lease rent	5,483,152	5,441,088
-Legal and professional expenses	2,224,127	3,804,307
-Miscellaneous expenses	29,999,826	78,524,689
-Insurance	4,161,038	4,128,059
-Salaries and wages	27,485,648	28,293,030
-Repairs and maintenance	185,278	15,500
Total	1,099,920,921	1,026,089,710

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(C) Earnings in foreign exchange (on accrual basis) :		
Value of exports on FOB basis	9,387,700,514	13,225,757,810
Interest	48,584,558	46,115,981
Others:		
-Insurance claim received	-	-
-Freight recovery	-	120,781,284
-Other miscellaneous income	1,743,898	1,552,114

40 Related party transactions:

In accordance with the requirements of Accounting Standard - 18 'Related Party Disclosures' the names of the related party where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and year end balances with them as identified and certified by the management are given below:

(a) Names of related parties

Nature of relationship	Name of the related party	Share Holding
Subsidiary	European Optic Media Technology GmbH	100%
Subsidiary	Moser Baer SEZ Developer Limited	100%
Subsidiary	Solar Research Limited	100%
Subsidiary	Moser Baer Laboratories Limited	100%
Subsidiary	Moser Baer Entertainment Limited	100%
Subsidiary	Moser Baer Investments Limited	100%
Subsidiary	Photovoltaic Holdings Limited	100%
Subsidiary	MB Solar Holdings Limited	100%
Subsidiary	Moser Baer Solar 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 Limited (formerly Arise Solar Energy Private Limited)	100%
Subsidiary	Competent Solar Energy Private Limited	100%
Subsidiary	OM&T B.V.	100%
Subsidiary	Moser Baer Technologies Inc. USA	100%
Subsidiary	Moser Baer Infrastructure and Developers Limited	100%

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Nature of relationship	Name of the related party	Share Holding
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.	-

Key management personnel

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

*Ceased from Executive Directorship w.e.f. April 30, 2012 and as Director w.e.f. November 16, 2012.

(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 Personal and their Relatives	Entities on which Key Management Personnel have significant influence	Total
Sales of finished goods					
O M & T BV	- (-)	122,404,200 (406,040,133)	- (-)	- (-)	
Moser Baer Photovoltaic Limited	- (-)	1,081,710 (143,171,913)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	203,415,056 (121,102,265)	- (-)	- (-)	
Moser Baer Entertainment Limited	- (-)	2,083,404,888 (2,470,995,201)	- (-)	- (-)	
Moser Baer Engineering and Construction Limited	- (-)	- (-)	- (-)	- (-)	2,410,305,854 (3,141,309,511)
Services rendered to related party					
Moser Baer Photovoltaic Limited	- (-)	- (88,085,580)	- (-)	- (-)	
Moser Baer Engineering and Construction Limited	- (-)	- (-)	- (-)	66,268,515 (54,722,588)	66,268,515 (142,808,168)
Services charges (included in services)					
Moser Baer Photovoltaic Limited	- (-)	66,330,010 (57,353,248)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	595,906,433 (796,457,011)	- (-)	- (-)	662,236,443 (853,810,259)
Lease rent (included in services)					
Moser Baer Photovoltaic Limited	- (-)	22,560,000 (16,560,000)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	48,720,000 (42,720,000)	- (-)	- (-)	

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Particulars	Associates	Subsidiaries	Key Management Personal and their Relatives	Entities on which Key Management Personnal have significant influence	Total
Moser Baer Engineering and Construction Limited	- (-)	- (-)	- (-)	6,305,040 (8,667,540)	77,585,040 (67,947,540)
Expenses incurred on behalf of other companies					
Moser Baer Photovoltaic Limited	- (-)	3,602,366 (5,418,678)	- (-)	- (-)	
Moser Baer Solar System Private Limited	- (-)	192,393 (1,799,706)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	6,098,807 (13,905,178)	- (-)	- (-)	
Moser Baer Projects Private Limited	- (-)	- (-)	- (-)	- (46,640)	
Moser Baer Entertainment Limited	- (-)	- (57,860)	- (-)	- (-)	
Moser Baer Engineering and Construction Limited	- (-)	- (-)	- (-)	- (4,300)	
O M & T BV	- (-)	18,437,131 (-)	- (-)	- (-)	
Others	- (-)	316,489 (7,650)	- (-)	- (-)	28,647,186 (21,240,012)
Reimbursement/Recovery against sales					
O M & T BV	- (-)	208,048,690 (64,787,126)	- (-)	- (-)	
Moser Baer Entertainment Limited	- (-)	2,328,207,700 (2,003,882,866)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	24,498,644 (-)	- (-)	- (-)	
Moser Baer Photovoltaic Limited	- (-)	1,081,710 (426,216,523)	- (-)	- (-)	2,561,836,744 (2,494,886,515)
Reimbursement/Recovery of expenses					
Moser Baer Photovoltaic Limited	- (-)	63,620,255 (217,005,400)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	426,400,026 (125,692,766)	- (-)	- (-)	
Moser Baer Projects Private Limited	- (-)	- (-)	- (-)	- (46,640)	
Moser Baer Engineering and Construction Limited	- (-)	- (-)	- (-)	53,661,854 (53,545,638)	
Others	- (-)	316,500 (8,058)	- (-)	- (-)	543,998,635 (396,298,501)
Reversal of provision for doubtful debts					
Global Data Media FZ LLC	- (54,952,459)	- (-)	- (-)	- (-)	- (54,952,459)
Purchase of semi finished goods/ raw material/services					
Moser Baer Entertainment Limited	- (-)	3,273,559 (8,797,540)	- (-)	- (-)	

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Particulars	Associates	Subsidiaries	Key Management Personal and their Relatives	Entities on which Key Management Personnal have significant influence	Total
Moser Baer Photovoltaic Limited	- (-)	14,195 (30,830,789)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	1,570,195 (49,713,837)	- (-)	- (-)	
O M & T BV	- (-)	213,569,933 (81,503,694)	- (-)	- (-)	218,427,882 (170,845,860)
Purchase of fixed assets					
Moser Baer Technologies Inc.	- (-)	23,733,530 (-)	- (-)	- (-)	
O M & T BV	- (-)	- (-2,226,395)	- (-)	- (-)	23,733,530 (-2,226,395)
Expenses charged by related party					
Moser Baer Photovoltaic Limited	- (-)	4,147,634 (38,658,458)	- (-)	- (-)	
Moser Baer Entertainment Limited	- (-)	- (210,048)	- (-)	- (-)	
Moser Baer Technologies Inc.	- (-)	- (12,981,300)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	506,102,633 (528,863,566)	- (-)	- (-)	510,250,267 (580,713,372)
Payment made against security deposit					
Moser Baer Solar Limited	- (-)	- (95,500,000)	- (-)	- (-)	- (95,500,000)
Payment made on behalf of related party					
Moser Baer Entertainment Limited	- (-)	56,163 (1,483,233)	- (-)	- (-)	56,163 (1,483,233)
Loans and advances granted					
Moser Baer Solar Limited	- (-)	169,336,785 (457,800,000)	- (-)	- (-)	
Moser Baer Photovoltaic Limited	- (-)	- (510,667,807)	- (-)	- (-)	
Moser Baer Entertainment Limited	- (-)	30,000,000 (-)	- (-)	- (-)	199,336,785 (968,467,807)
Repayment of loans and advances granted					
Moser Baer Photovoltaic Limited	- (-)	- (510,667,807)	- (-)	- (-)	
Moser Baer Solar Limited	- (-)	169,336,785 (473,300,000)	- (-)	- (-)	
Moser Baer Entertainment Limited	- (-)	13,000,000 (-)	- (-)	- (-)	
Moser Baer Infrastructure and Developers Limited	- (-)	3,500,000 (-)	- (-)	- (-)	185,836,785 (983,967,807)
Interest charges in respect of loans/ investments					
Peraround Limited	- (-)	48,584,558 (46,115,981)	- (-)	- (-)	
Moser Baer Infrastructure and Developers Limited	- (-)	11,980,399 (9,493,043)	- (-)	- (-)	

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Particulars	Associates	Subsidiaries	Key Management Personal and their Relatives	Entities on which Key Management Personnal have significant influence	Total
Moser Baer Photo Voltaic Limited	-	-	-	-	
	(-)	(5,471,846)	(-)	(-)	
Moser Baer Solar Limited	-	66,249,996	-	-	
	(-)	(76,351,838)	(-)	(-)	
Moser Baer Entertainment Limited	-	43,141,562	-	-	169,956,515
	(-)	(38,324,837)	(-)	(-)	(175,757,544)
Interest received against loan					
Moser Baer Photovoltaic Limited	-	-	-	-	
	(-)	(22,261,311)	(-)	(-)	
Moser Baer Solar Limited	-	-	-	-	
	(-)	(64,752,460)	(-)	(-)	
Moser Baer Entertainment Limited	-	-	-	-	
	(-)	(9,161,413)	(-)	(-)	
Moser Baer Infrastructure and Developers Limited	-	3,390,735	-	-	3,390,735
	(-)	(-)	(-)	(-)	(96,175,184)
Investments					
Moser Baer Investments Limited	-	-	-	-	-
	(-)	(500,000)	(-)	(-)	(500,000)
Provision for diminution in the value of long term investments					
European Optic Media Technology GmbH	-	(168,852,376)	-	-	(168,852,376)
	(-)	(-)	(-)	(-)	(-)
Directors remuneration					
	-	-	9,050,000	-	9,050,000
	(-)	(-)	(22,353,710)	(-)	(22,353,710)
Outstanding receivables					
In respect of sales or services					
Global Data Media FZ LLC	237,588,923	-	-	-	
	(223,227,763)	(-)	(-)	(-)	
O M & T BV	-	277,844,971	-	-	
	(-)	(376,762,477)	(-)	(-)	
Moser Baer Photovoltaic Limited	-	392,624,383	-	-	
	(-)	(366,308,394)	(-)	(-)	
Moser Baer Solar Limited	-	4,776,949,709	-	-	
	(-)	(4,532,236,377)	(-)	(-)	
Moser Baer Solar System Private Limited	-	1,992,099	-	-	
	(-)	(1,799,706)	(-)	(-)	
Moser Baer Entertainment Limited	-	1,556,485,849	-	-	
	(-)	(1,837,129,379)	(-)	(-)	
Moser Baer Engineering and Construction Limited	-	-	-	50,889,186	7,294,375,120
	(-)	(-)	(-)	(29,669,220)	(7,367,133,316)
In respect of loans and advances					
Peraround Limited	-	914,299,084	-	-	
	(-)	(892,920,049)	(-)	(-)	
Moser Baer Solar Limited (repayable on demand)	-	-	-	-	

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Particulars	Associates	Subsidiaries	Key Management Personal and their Relatives	Entities on which Key Management Personnal have significant influence	Total
	(-)	(8,658,736)	(-)	(-)	
Moser Baer Infrastructure and Developers Limited	-	86,000,000	-	-	
	(-)	(89,500,000)	(-)	(-)	
Moser Baer Entertainment Limited	-	300,000,000	-	-	
	(-)	(300,000,000)	(-)	(-)	
Moser Baer Engineering and Construction Limited	-	-	-	35,974,260	1,336,273,344
	(-)	(-)	(-)	(-)	(1,291,078,785)
In respect of Interest accrued on loans/ investment					
Peraround Limited	-	229,617,040	-	-	
	(-)	(177,245,016)	(-)	(-)	
Moser Baer Infrastructure and Developers Limited	-	27,758,846	-	-	
	(-)	(19,170,384)	(-)	(-)	
Moser Baer Entertainment Limited	-	72,296,840	-	-	
	(-)	(29,159,592)	(-)	(-)	
Moser Baer Solar Limited	-	104,007,682	-	-	433,680,408
	(-)	(37,764,315)	(-)	(-)	(263,339,306)
In respect of debentures					
Moser Baer Solar Limited	-	500,000,000	-	-	500,000,000
	(-)	(500,000,000)	(-)	(-)	(500,000,000)
In respect of managerial remuneration					
Deepak Puri	-	-	16,081,627	-	16,081,627
	(-)	(-)	(-)	(-)	(-)
Outstanding payable					
In respect of expenses/purchases (included in due to subsidiaries)					
O M & T BV	-	89,462,256	-	-	
	(-)	(1,966,875)	(-)	(-)	
Moser Baer Solar Limited	-	486,059,316	-	-	
	(-)	(574,337,287)	(-)	(-)	
Cubic Technologies B.V	-	8,273,596	-	-	
	(-)	(80,898,402)	(-)	(-)	
Moser Baer Technologies Inc.	-	7,832,006	-	-	
	(-)	(-)	(-)	(-)	
Moser Baer Photo Voltaic Limited	-	4,142,653	-	-	
	(-)	(33,699,584)	(-)	(-)	
Moser Baer Entertainment Limited	-	-	-	-	595,769,827
	(-)	(49,623,333)	(-)	(-)	(740,525,480)
In respect of other advances					
European Optic Media Technology GmbH	-	865,277	-	-	865,277
	(-)	(1,154,643)	(-)	(-)	(1,154,643)
In respect of security deposit received for lease					
Moser Baer Photovoltaic Limited	-	380,000,000	-	-	
	(-)	(380,000,000)	(-)	(-)	
Moser Baer Solar Limited	-	1,335,000,000	-	-	
	(-)	(1,335,000,000)	(-)	(-)	

MOSER BAER INDIA LIMITED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

Particulars	Associates	Subsidiaries	Key Management Personal and their Relatives	Entities on which Key Management Personnel have significant influence	Total
Moser Baer Engineering and Construction Limited	- (-)	- (-)	- (-)	12,000,000 (12,000,000)	1,727,000,000 (1,727,000,000)
In respect of managerial remuneration					
Deepak Puri	- (-)	- (-)	- (2,311,507)	- (-)	
Ratul Puri	- (-)	- (-)	-1,147,902 (2,654,774)	- (-)	
Nita Puri	- (-)	- (-)	450,432 (450,432)	- (-)	-697,470 (5,416,713)

(c) Other arrangements

Details of corporate guarantees provided on behalf of subsidiary companies

Particulars	Amount
Moser Baer Photovoltaic Limited	14,436,712,500 (14,070,675,000)
Moser Baer Solar Limited	10,241,737,500 (10,028,925,000)

41 (Loss) per share

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(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	(4,591,663,670)	(3,194,231,953)
(Loss) per share (face value per share Rs. 10 each)		
Basic	(27.28)	(18.98)
Diluted	(27.28)	(18.98)

MOSER BAER INDIA LIMITED
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO
THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

(All amounts in rupees, unless otherwise stated)

42 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, 2013.

43 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, 2013	For the year ended March 31, 2012
Employers' contribution to Provident Fund*	46,918,316	49,684,122

(ii) **State plans**

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Employers' contribution to Employee's State Insurance Act, 1948	10,247,769	13,313,127
Employers' contribution to Employee's Pension Scheme, 1995	24,360,341	24,277,196

* Included in contribution to provident and other funds under personnel expenses (refer note 28)

B Defined benefit plans

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

Particulars	Unavailed leaves (unfunded)		Employee's gratuity fund	
	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012
Discount rate (per annum)	8.00%	8.60%	8.00%	8.60%
Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Rate of return on plan assets	-	-	9.40%	9.40%
Expected average remaining working lives of employees (years)	7.43	7.63	7.43	7.63

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATIONS TO
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(All amounts in rupees, unless otherwise stated)

(ii) Changes in the present value of obligation

Particulars	Unavailed leaves (unfunded)		Employee's gratuity fund	
	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012
Present value of obligation as at April 1, 2012	87,447,743	81,531,908	224,540,108	196,614,786
Interest cost	8,197,584	7,431,042	20,334,817	17,700,058
Current service cost	13,000,098	14,633,563	24,725,267	25,955,051
Benefits paid	(10,254,192)	(12,184,472)	(25,628,035)	(17,118,000)
Actuarial (gain)/loss on obligations	(17,516,076)	(3,964,298)	2,267,593	1,388,213
Present value of obligation as at March 31, 2013	80,875,157	87,447,743	246,239,750	224,540,108

(iii) Changes in the fair value of plan assets

Particulars	Employee's gratuity fund	
	For the year ended March 31, 2013	For the year ended March 31, 2012
Fair value of plan assets as at April 1, 2012	123,143,341	130,934,270
Expected return on plan assets	10,370,956	11,503,359
Actuarial gains and losses	308,491	(2,178,066)
Contributions	-	1,778
Benefits paid	(25,628,035)	(17,118,000)
Fair value of plan assets as at March 31, 2013	108,194,753	123,143,341

(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, 2013	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
Present value of defined benefit obligation	246,239,750	224,540,108	196,614,786	182,439,484	135,012,098
Fair value of plan assets	108,194,753	123,143,341	130,934,270	133,153,245	106,201,636
Surplus or (deficit) in the plan assets	(138,044,997)	(101,396,767)	(65,680,516)	(49,286,239)	(28,810,462)

The expected contribution on account of gratuity for the year ending March 31, 2014 can't be ascertained at this stage.

Particulars	Unavailed leaves (unfunded)				
	For the year ended March 31, 2013	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
Present value of defined benefit obligation	80,875,157	87,447,743	81,531,908	83,452,256	71,570,155
Fair value of plan assets	-	-	-	-	-
Surplus or (deficit) in the plan assets	(80,875,157)	(87,447,743)	(81,531,908)	(83,452,256)	(71,570,155)

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

Particulars	Unavailed leaves (unfunded)		Employee's gratuity fund	
	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012
Current service cost	13,000,098	14,633,563	24,725,267	25,955,051
Interest cost	8,197,584	7,431,042	20,334,817	17,700,058
Expected return on plan assets	-	-	(10,370,956)	(11,503,359)
Net actuarial (gain)/loss recognised in the year	(17,516,076)	(3,964,298)	1,959,102	3,566,279
Effect of curtailments	-	-	-	-
Past service cost	-	-	-	-
Total expenses recognized in statement of profit and loss	**3,681,606	**18,100,307	*36,648,230	*35,718,029

* Included in contribution to provident and other funds (refer note 28)

** Included in personnel expenses (refer note 28)

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

44 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, 2013		As at March 31, 2012	
	USD	Rs.*	USD	Rs.*
Funds available at the beginning of the year	147,911	7,525,709	152,924	6,819,641
Bank charges	5,202	284,952	5,013	252,826
Unutilised issue proceeds #	142,709	7,746,966	147,911	7,525,709

Restated as at year end.

* Net of foreign exchange gain of Rs. 506,209 for the year ended March 31, 2013 and loss of Rs. 958,895 for the year ended March 31, 2012.

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

Particulars	As at March 31, 2013	As at March 31, 2012
Opening balance	1,793,150,173	1,064,331,621
Add : Provision for the year	606,568,486	728,818,552
	2,399,718,659	1,793,150,173
Less: Current maturities transferred to other current liabilities	1,784,830,756	-
Closing balance	614,887,903	1,793,150,173

Premium payable on redemption of FCCB accrued up to March 31, 2013 calculated on prorata basis Rs. 2,399,718,659 (previous year Rs. 1,793,150,173) 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:

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Particulars	As at March 31, 2013	As at March 31, 2012
Amortisation charged to statement of profit and loss	515,366,123	363,121,552
Un-amortised exchange differences	-	(97,508,432)

(d) The outstanding foreign currency convertible bonds (FCCBs) aggregating to principal value of USD 88,500,000 (equivalent to Rs 4,805,107,500) matured for redemption on June 21, 2012, which have since been claimed by the trustee of the bondholders. The Company has applied for relevant regulatory approvals and meanwhile is in discussions with the bondholders through the Trustee, to re-structure these bonds. Pending acceptance by the bondholders and approval from the concerned regulatory authorities of the terms proposed by the Company, the financial obligations of the Company, other than premium on redemption, are presently not reasonably determinable, and hence have not been provided for. The trustee on behalf of certain bondholders has also filed a petition under section 434 of the Companies Act, 1956 with Hon'ble High Court of Delhi, which is pending.

45 Based on the information available with the Company, the Company has identified 32 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 11)

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, 2013	As at March 31, 2012
(a) Amount remaining unpaid to micro ,small and medium enterprises at the end of year		
Principal amount	64,445,555	15,785,039
Interest thereon	18,423,962	13,903,886
Total	82,869,517	29,688,925
(b) Amount of payments made to micro, small and medium enterprises beyond the appointed date during the year		
Principal amount	185,601,345	375,246,018
Interest actually paid u/s 16 of the act.	-	-
Total	185,601,345	375,246,018
(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.	18,423,962	8,322,172
Interest remaining unpaid during the year.	18,423,962	8,322,172

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46 Details of defaults in repayment of dues to the bank:

Due date	Amount	Delay in days
February 20, 2012	18,750,000	405
February 29, 2012	260,750	396
March 31, 2012	195,078	365
April 30, 2012	188,785	335
May 31, 2012	195,078	304
June 30, 2012	188,785	274
July 31, 2012	195,078	243
August 31, 2012	195,078	212
September 30, 2012	188,785	182
October 31, 2012	195,078	151
November 30, 2012	188,785	121
December 31, 2012	195,078	90
January 31, 2013	195,078	59
February 28, 2013	176,199	31

(Refer note 7 for long term borrowing).

47 Impairment of Investments

(a) The Company has performed a detailed assessment, using valuations performed by an independent valuer, to determine whether its investments in and advances or other receivables from MBPV and MBSL are recoverable. Such assessment is based on successful implementation of new technologies, external market conditions, regulatory benefits and conclusion of debt restructuring in the terms as proposed by these subsidiaries. The management has concluded that no adjustments to the carrying values of underlying investments in and advances or other receivables from these subsidiaries aggregating to Rs 7,635,698,665 are required to be made in the results for the year ended March 31, 2013.

(b) The Company has an investment in and certain amounts recoverable from another subsidiary, Moser Baer Entertainment Limited (MBEL) amounting to Rs 1,574,996,840 as at March 31, 2013. A business valuation of MBEL has been carried out by the management internally based on MBEL'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 for the year ended March 31, 2013.

48 Corresponding figures for the previous year have been regrouped / rearranged, wherever necessary to conform to current year classification.

For Walker, Chandio & Co
Chartered Accountants

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

per Ashish Gupta
Partner

Deepak Puri
Chairman and
Managing Director

Nita Puri
Director

Place: New Delhi
Date: May 30, 2013

Yogesh Mathur
Group CFO

Minni Katariya
Head Legal and
Company Secretary