

S. C. KWATRA & CO.

CHARTERED ACCOUNTANTS

303-A, SASCO BHAWAN, AZADPUR COMMERCIAL COMPLEX,
DELHI- 110 033 INDIA

PH.: 27676375, 27672646 FAX: 91-11-27676375

INDEPENDENT AUDITOR'S REPORT

To the Members of Moser Baer Distribution Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Moser Baer Distribution Limited**, ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



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We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 18 to the financial statements with respect to management's assessment of impairment of its investments of Rs 775,500,000 its subsidiary companies, Moser Baer Infrastructure and Developers Limited and Solar Research Limited as of 31st March 2017 to determine if there is any "other than temporary" diminution in the values of investment. Basis the assessment, the management has concluded that diminution in the value of investment is temporary in nature and no impairment is required in carrying value of these investments, as at March 31, 2017. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



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- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
 - iv) The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Refer note 10.



Place: New Delhi
Date: May 23, 2017

(M)

For S.C. Kwatra & Co.
Chartered Accountants
Firm's registration No. 004232N

M.M. Kwatra

M.M. Kwatra
Partner
(Membership No.083756)

S. C. KWATRA & CO.

CHARTERED ACCOUNTANTS

303-A, SASCO BHAWAN, AZADPUR COMMERCIAL COMPLEX,
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MOSER BAER DISTRIBUTION LIMITED

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph '1' under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date.

- (i) The Company does not have any fixed assets; therefore, the provisions of clause 3(i) of the Order are not applicable.
- (ii) The Company does not have any inventory; therefore the provisions of clause 3(ii) of the Order are not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of making investment. The Company has not given any loans, or provided any guarantee, or security as specified under Section 185 and 186 of the Companies Act, 2013 during the year.
- (v) The Company has not accepted any deposits from the public during the year.
- (vi) The Company has not carried out any production of goods or provided any services and therefore, paragraph 3(vi) of the Order regarding maintenance of cost records under section 148(1) of the Act, is not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the period-end for the period of more than six months from the date they become payable.

(b) There are no dues in respect of income tax, sales tax, service tax, duty of customs or duty of excise or value added tax that have not been deposited on account of any dispute.
- (viii) The Company did not have any dues payable to a financial institution or a bank or Government or debenture holders during the period.



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- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid/ provided any managerial remuneration during the year and accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) A Company is required to be registered under section 45-1A of the Reserve Bank of India Act, 1934, if the financing activity is a principal business of the company. The RBI has clarified that Financial activity as principal business is when a company's financial assets constitute more than 50 per cent of the total assets and income from financial assets constitute more than 50 per cent of the gross income. Though the company's financial assets constitute more than 50% of the total assets, however, there being no income of the company during the year, the Company contends that the condition that the income from financial assets should be more than 50% of the gross income, is not met and accordingly, the Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

Place: New Delhi
Date: May 23, 2017

(M)



For S.C. Kwatra & Co.
Chartered Accountants
Firm's registration No. 004232N

M. Kwatra

M.M. Kwatra
Partner
(Membership No.083756)

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Moser Baer Distribution Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures



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that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place: Delhi
Date: May 23, 2017



(M)

For S.C. Kwatra & Co.
Chartered Accountants
Firm's registration No. 004232N

M.M. Kwatra

M.M. Kwatra
Partner
(Membership No.083756)

Moser Baer Distribution Limited (formerly known as Moser Baer SEZ Developer Limited)

Balance Sheet as at March 31, 2017

(All amounts in rupees unless otherwise stated)

	Notes	As at March 31, 2017	As at March 31, 2016
Equity and liabilities			
Shareholders' funds			
Share capital	4	105,000,000	105,000,000
Reserve and surplus	5	672,820,012	673,403,986
		<u>777,820,012</u>	<u>778,403,986</u>
Current liabilities			
Trade payables			
- Dues to micro and small enterprises		-	-
- Dues to others	6	121,640	115,390
Other current liabilities	7	15,043	-
Short-term provisions	8	53,410	53,410
		<u>190,093</u>	<u>168,800</u>
Total		<u><u>778,010,105</u></u>	<u><u>778,572,786</u></u>
Assets			
Non-current assets			
Non-current investments	9	775,500,000	775,500,000
		<u>775,500,000</u>	<u>775,500,000</u>
Current assets			
Cash and bank balances	10	2,510,105	3,072,786
		<u>2,510,105</u>	<u>3,072,786</u>
Total		<u><u>778,010,105</u></u>	<u><u>778,572,786</u></u>

Notes from 1 to 23 form an integral part of these financial statements.

This is the balance sheet referred to in our report of even date.

For S.C. Kwatra & Co.
Chartered Accountants
Firm Registration No: 004232N

M. M. Kwatra

M. M. Kwatra
Partner
Membership Number-083756

Place: New Delhi
Date: May 23, 2017



For and on behalf of the board of directors of
Moser Baer Distribution Limited (formerly known as Moser Baer SEZ Developer Limited)

Birendra Prasad Bhatt
Birendra Prasad Bhatt
(Director)
DIN-00314374

Nand Kishor Joshi
Nand Kishor Joshi
(Director)
DIN-06369067

Ravish Ahuja
Ravish Ahuja
(Manager)

Moser Baer Distribution Limited (formerly known as Moser Baer SEZ Developer Limited)

Statement of Profit and Loss for the year ended March 31, 2017

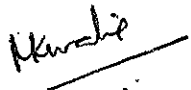
(All amounts in rupees unless otherwise stated)

	Notes	Year ended March 31, 2017	Period ended March 31, 2016
Revenue			
Other income	11	-	1,802
Total		<u>-</u>	<u>1,802</u>
Expenses			
Other expenses	12	83,973	87,259
Total		<u>83,973</u>	<u>87,259</u>
Loss before exceptional items and tax		<u>(83,973)</u>	<u>(85,457)</u>
Exceptional items (income)/expense	13	500,000	-
Loss before exceptional items and tax		<u>(583,973)</u>	<u>(85,457)</u>
Tax expense:			
Current tax		-	-
Profit/(Loss) for the year/period		<u>(583,973)</u>	<u>(85,457)</u>
Earnings per share:			
Basic & Diluted	17	(2.90)	(3.41)

Notes from 1 to 23 form an integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date.

For S.C. Kwatra & Co.
Chartered Accountants
Firm Registration No: 004232N

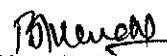

M. M. Kwatra
Partner
Membership Number-083756



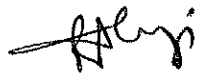
Place: New Delhi
Date: May 23, 2017



For and on behalf of the board of directors of
Moser Baer Distribution Limited (formerly known as Moser Baer SEZ
Developer Limited)


Birendra Prasad Bhatt
(Director)
DIN-00314374


Nand Kishor Joshi
(Director)
DIN-06369067


Ravish Ahuja
(Manager)

Moser Baer Distribution Limited (formerly known as Moser Baer SEZ Developer Limited)
Cash Flow Statement for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

	Year ended March 31, 2017	Period ended March 31, 2016
A. Cash flow from operating activities:		
Net (loss) before tax	(583,973)	(85,457)
Adjustments for:		
- Investments written off	500,000	-
Operating (loss) before working capital changes	<u>(83,973)</u>	<u>(85,457)</u>
Adjustment for changes in working capital:		
- Increase/(Decrease) in trade payables	6,249	44,176
- (Decrease) in other current liabilities	15,043	-
- Decrease in loans and advances	-	(1,802)
Net cash used in operating activities	<u>(62,681)</u>	<u>(43,083)</u>
Less: Taxes paid	-	-
Net Cash used in operating activities	<u>[A] (62,681)</u>	<u>(43,083)</u>
B. Cash flow from investing activities:		
Investment in share Capital	(500,000)	(1,000,000)
Net Cash flow from investing activities	<u>[B] (500,000)</u>	<u>(1,000,000)</u>
C. Cash flow from financing activities:		
	-	-
Net increase/ (decrease) in cash and cash equivalents [A+B+C]	(562,681)	(1,043,083)
Cash and cash equivalents at beginning of the year/period	3,072,786	4,115,869
Cash and cash equivalents at end of the year/period	<u>2,510,105</u>	<u>3,072,786</u>
Reconciliation of cash and cash equivalents-		
Bank balances in -		
Current account	2,510,105	3,072,786
	<u>2,510,105</u>	<u>3,072,786</u>

Notes from 1 to 23 form an integral part of these financial statements.

This is the cash flow statement referred to in our report of even date.

For S.C. Kwatra & Co.
Chartered Accountants
Firm Registration No: 004232N

M. M. Kwatra
Partner
Membership Number-083756

Place: New Delhi
Date: May 23, 2017



For and on behalf of the board of directors of
Moser Baer Distribution Limited (formerly known as Moser Baer SEZ
Developer Limited)

Birendra Prasad Bhatt
(Director)
DIN-00314374

Nand Kishor Joshi
(Director)
DIN-06369067

Ravish Ahuja
(Manager)

Moser Baer Distribution Limited (formerly known as Moser Baer SEZ Developer Limited)

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2017

1 Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless stated otherwise and comply in all material aspects with the Accounting Standards ('AS') notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

2 Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3 Significant accounting policies

(a) Taxation

Current tax:

Provision is made for current tax liability based on the current rate of tax in accordance with the provisions of Income Tax Act, 1961.

Deferred tax:

Deferred tax assets (DTA) and liabilities are computed on the timing differences at the balance sheet date between the carrying amount of assets and liabilities and their respective tax bases. DTA is recognised based on management estimates of reasonable/virtual certainty that sufficient future taxable income will be available against which such DTA can be realised. The deferred tax charge or credit is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

(b) 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.

(c) Earnings per share

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

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

(d) Revenue

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

(e) Provisions and contingent liabilities

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

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

(f) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.



Moser Baer Distribution Limited (formerly known as Moser Baer SEZ Developer Limited)

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016
4 Share capital		
Authorised		
3,000,000 (previous year 3,000,000) equity shares of Rs.10 each	30,000,000	30,000,000
7,500,000 (previous year 7,500,000) 9% Compulsorily Cumulative Convertible Preference shares of Rs.10 each	75,000,000	75,000,000
	<u>105,000,000</u>	<u>105,000,000</u>
Issued, Subscribed and Paid Up:		
3,000,000 (previous year 3,000,000) equity shares of Rs.10 each fully paid up	30,000,000	30,000,000
7,500,000 (previous year 7,500,000) 9% Compulsorily Cumulative Convertible Preference shares of Rs.10 each fully paid up	75,000,000	75,000,000
	<u>105,000,000</u>	<u>105,000,000</u>
Total	<u>105,000,000</u>	<u>105,000,000</u>

(a) Terms & rights attached to equity shares

The Company has one class of equity shares with a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors 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) Rights, preferences and restriction attached to preference shares

The holders of such preference shares do not have the right to vote at any meetings of the shareholders of the company. Each member being the holder of Compulsorily Convertible preference shares has the right to receive from the profits of the company a preferential dividend at a rate of 9% in priority to the payment of a dividend to any non-preferential class of shares. The shares shall be convertible at the option of the company at any time in whole or any part thereof earlier than the period of ten years or within ten years from the original date of allotment viz. 15th May, 2009.

(c) Reconciliation of the number of shares outstanding:

Particulars	Equity shares		Preference shares	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Shares outstanding at the beginning of the year/period	3,000,000	3,000,000	7,500,000	7,500,000
Add: Shares issued during the year/period	-	-	-	-
Less: Shares bought back during the year/period	-	-	-	-
Shares outstanding at the end of the year/period	<u>3,000,000</u>	<u>3,000,000</u>	<u>7,500,000</u>	<u>7,500,000</u>

(d) Shareholders holding more than 5 % of share capital

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity share capital:				
Moser Baer India Limited	3,000,000	100%	3,000,000	100%
Preference share capital:				
Moser Baer India Limited	7,500,000	100%	7,500,000	100%

(e) No shares have been allotted as fully paid up by way of bonus shares during current reporting period and five years preceding the current reporting period



(M)

RK

Signature

Signature

Moser Baer Distribution Limited (formerly known as Moser Baer SEZ Developer Limited)

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

Particulars	As at March 31, 2017	As at March 31, 2016
5 Reserves and surplus		
Securities premium account		
Opening balance	675,000,000	675,000,000
Change during the year/period	-	-
Closing balance	<u>A 675,000,000</u>	<u>675,000,000</u>
Statement of profit and loss (debit balance)		
Opening balance	(1,596,014)	(1,510,557)
Add: Net profit/(loss) for the current year/period	(883,973)	(85,457)
Closing balance	<u>B (2,179,988)</u>	<u>(1,596,014)</u>
	<u>A + B 672,820,012</u>	<u>673,403,986</u>

Particulars	As at March 31, 2017	As at March 31, 2016
6 Trade payables		
Dues to others	121,640	115,390
	<u>121,640</u>	<u>115,390</u>

Particulars	As at March 31, 2017	As at March 31, 2016
7 Other current liabilities		
Other Payables	15,043	-
	<u>15,043</u>	<u>-</u>

Particulars	As at March 31, 2017	As at March 31, 2016
8 Short term provisions		
Provision for taxation	53,410	53,410
	<u>53,410</u>	<u>53,410</u>

Particulars	As at March 31, 2017	As at March 31, 2016
9 Non-current investments		
Unquoted (Trade):		
Investment in subsidiaries		
(i) Moser Baer Laboratories Limited (formerly known as Moser Baer Energy Limited)		
50,000 (previous year 50,000) equity shares of Rs. 10 each	500,000	500,000
Less: Written off	(500,000)	-
		<u>500,000</u>
(ii) Solar Research Limited		
50,000 (previous year 50,000) equity shares of Rs. 10 each	500,000	500,000
7,375,000 (previous year 7,375,000) 9% compulsorily Cumulative Convertible preference shares of Rs.10 each at premium of Rs.90 each	737,500,000	737,500,000
(iii) Moser Baer Infrastructure and Developers Limited*		
3,750,000 (previous year 3,700,000) equity shares of Rs. 10 each	37,500,000	37,000,000
	<u>775,500,000</u>	<u>775,500,000</u>

Particulars	As at March 31, 2017	As at March 31, 2016
Aggregate amount of unquoted investments	775,500,000	775,500,000
Aggregate amount of provision for diminution	-	-

* Pursuant to Master Restructuring Agreement dated 27th December 2012 entered with various lenders by Moser Baer India Limited, the ultimate parent company (the borrower), the investment of the Company in Moser Baer Infrastructure and Developers Ltd (a subsidiary company) in 37,00,000 equity shares of Rs 10 each are pledged / to be pledged with CENTBANK Financial Services Limited (Security Trustee) for and on behalf of lenders of Ultimate parent company towards security against repayment of the facilities and all financial obligations of the borrower to the CDR Lenders.

Particulars	As at March 31, 2017	As at March 31, 2016
10 Cash and bank balances		
Cash and cash equivalents		
Balance with bank in-		
Current account	2,510,105	3,072,786
	<u>2,510,105</u>	<u>3,072,786</u>

Note:

In accordance with MCA notification G.S.R. 308E dated March 30, 2017 the disclosure requirements of details of specified bank notes (SBNs) and other denomination Notes (ODNs) held and transaction during the period from November 8, 2016 to December 30, 2016 are not applicable as the company was not having cash in hand as on November 8, 2016 and no cash was withdrawn/deposited during the period November 8, 2016 to December 30, 2016.

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Moser Baer Distribution Limited (formerly known as Moser Baer SEZ Developer Limited)

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2017
 (All amounts in rupees unless otherwise stated)

Particulars	Year ended March 31, 2017	Period ended March 31, 2016
11 Other income		
Balances written back	-	1,802
	-	1,802
12 Other expenses		
Remuneration to auditors:		
As auditor		
- Statutory audit	17,250	17,175
Legal and professional	9,600	10,451
Registration and filing fee	17,404	8,290
Conveyance	36,000	51,000
Others	3,720	343
	83,973	87,259
13 Exceptional items		
Investments written off	500,000	-
	500,000	-



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Moser Baer Distribution Limited (formerly known as Moser Baer SEZ Developer Limited)

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

Particulars	Year ended March 31, 2017	Period ended March 31, 2016
14 Contingent liability		
Arrears of dividend related to 7,500,000 (Previous Year 7,500,000), 9% Compulsorily Cumulative Convertible Preference Shares of Rs 10 each fully paid up.#	64,013,782	55,889,641
	64,013,782	55,889,641

including dividend distribution tax thereon

15 Related party transactions

a. In accordance with the requirements of Accounting Standard - 18, 'Related Party Disclosures', the names of the related parties where ability to control or exercise significant influence exists, along with the aggregate amount of transactions and period end balances with them are given below:

Name of the related party	Nature of relationship
Moser Baer India Limited (MBIL)	Holding Company
Moser Baer Laboratories Limited	Subsidiary
Solar Research Limited	Subsidiary
Moser Baer Infrastructure and Developers Limited (MBIDL)	Subsidiary
Photovoltaic Holdings Limited	Fellow Subsidiary
(Formerly known as Photovoltaic Holdings Plc)	
Peraffly Limited	Fellow Subsidiary
Nicofly Limited	Fellow Subsidiary
Moser Baer Solar Limited	Fellow Subsidiary
(formerly known as Photovoltaic Technologies India Limited)	
Helios Photo Voltaic Limited (Formerly known as Moser Baer Photo Voltaic Limited)	Fellow Subsidiary
Value Solar Energy Private Limited	Fellow Subsidiary
Pride Solar Systems Private Limited	Fellow Subsidiary
Admire Energy Solutions Private Limited	Fellow Subsidiary
Moser Baer Solar Systems Private Limited	Fellow Subsidiary
Competent Solar Energy Private Limited	Fellow Subsidiary
TIFTON Limited	Fellow Subsidiary
European Optic Media Technology GmbH	Fellow Subsidiary
Moser Baer Investments Limited	Fellow Subsidiary
Moser Baer Entertainment Limited	Fellow Subsidiary
MB Solar Holdings Limited (formerly Moser Baer Solar PLC)	Fellow Subsidiary
Penround Limited	Fellow Subsidiary
Advoferm Limited	Fellow Subsidiary
Cubic Technologies BV*	Fellow Subsidiary
Moser Baer Technologies Inc.**	Fellow Subsidiary
Moser Baer Photovoltaic Inc. USA	Fellow Subsidiary

* Dissolved on 21 December 2015.

** Dissolved on 22 April 2015.

Key management personnel

Manager	Mr. Ravish Ahuja (w.e.f. 14.04.2016)
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b. Details of transactions with the related parties in the ordinary course of business:

(figures in brackets are for the previous year)

	MBIL (Holding Company)	Moser Baer Laboratories Limited (Subsidiary Company)	Moser Baer Infrastructure and Developers Limited	Total
Expenses paid on behalf of the Company	23,873 (8,290)	- (-)	- (-)	23,873 (8,290)
Investments written off	- (-)	500,000 (-)	- (-)	500,000 (-)
Investments in Equity share capital	- (-)	- (-)	500,000 (-)	500,000 (-)
Outstanding Payable				
-In respect expenses paid on behalf of the company	15,043 (-)	- (-)	- (-)	15,043 (-)



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Moser Baer Distribution Limited (formerly known as Moser Baer SEZ Developer Limited)

Summary of significant accounting policies and other explanatory information to the financial statements for the year ended March 31, 2017

(All amounts in rupees unless otherwise stated)

16 As the Company is yet to commence commercial operations, there is no reportable business segment and accordingly, disclosure per AS 17, 'segment reporting' have not been given.

Particulars	Year ended March 31, 2017	Period ended March 31, 2016
17 Earnings/ (loss) per share		
(i) Basic earnings per share		
Weighted average number of equity shares outstanding during the year/period (nos)	3,000,000	3,000,000
(ii) Diluted earnings per share		
Weighted average number of equity shares outstanding during the year/period (nos)	3,000,000	3,000,000
Weighted average number of equivalent equity shares on conversion of preference shares (nos)	7,500,000	7,500,000
Weighted average number of equity shares outstanding during the year/period for diluted EPS (nos)	10,500,000	10,500,000
Profit / (loss) after tax (Rs.)	(583,973)	(85,457)
Less : arrears of preference dividend (including dividend distribution tax)	(8,124,141)	(10,155,177)
(Loss) after tax available for equity shareholders (Rs.)	(8,708,115)	(10,240,634)
Earnings / (loss) per share (face value per share Rs.10 each)		
Basic & Diluted	(2.90)	(3.41)

18 Management performed an assessment of impairment for its investments in subsidiary companies comprising of Rs. 37,500,000 in Moser Baer Infrastructure and Developers Limited (MBIDL) and Rs. 738,000,000 in Solar Research Limited (SLR) as of 31 March 2017 to determine if there is any "other than temporary" diminution in the values of the investments. SLR has further investment in MBIDL. Such assessment is based on recoverable value of land determined by an independent valuer. Based on such valuation, the net asset value of the company's investment in MBIDL and SLR is much lower than the book value of its investment. Further, presently the MBIDL is not carrying out any operations.

In the opinion of management and the valuer the current prevailing market rate of land of MBIDL is temporarily down due to impact of demontization. Further, the management expects to commence the operations of MBIDL in next financial year. In view thereof, no impairment have been made in respect of diminution in the value of investments which are considered strategic, long term and diminution in value on investment is temporary in nature.

19 The Company has carried out its tax computation in accordance with Accounting Standard 22 'Accounting for Taxes on Income'. In the absence of reasonable certainty of future taxable profits under the Income Tax Act, 1961, deferred tax asset has not been recognised by the Company.

20 Based on information available with the company as at March 31, 2017, there are no dues to micro and small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006

21 The company was earlier known as "Moser Baer SEZ Developer Limited". Its name has been changed to "Moser Baer Distribution Limited" on 4th December 2014 and a fresh certificate of incorporation consequent upon change of name was issued by Registrar of Companies, Delhi.

22 a) The Company does not have any pending litigation.


b) The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

23 The current financial year comprises of a period of 12 months ended March 31, 2017, whereas the previous period's figures are for 15 months. Accordingly, the current year's figures are not comparable with those of the previous period. Previous period figures have been regrouped / rearranged, wherever necessary, to conform to current period's classification.

For and on behalf of the Board of Directors of
Moser Baer Distribution Limited (formerly known as Moser Baer SEZ Developer Limited)



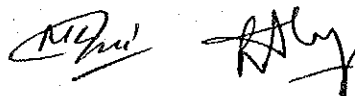
Place: New Delhi
Date: May 23, 2017


Birendra Prasad Bhatt
(Director)
DIN-00314374


Ravish Ahuja
(Manager)



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Nand Kishor Joshi
DIRECTOR
DIN-06369067