

MOSER BAER SOLAR LIMITED

Balance sheet as at 31 March 2017

(All amounts in rupees unless otherwise stated)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	9,825,004,040	9,825,004,040
Reserves and surplus	5	(24,004,033,542)	(19,831,721,360)
		(14,179,029,502)	(10,006,717,320)
Non current liabilities			
Long term borrowings	6	2,029,644,714	8,717,674,093
Other long term liabilities	7	1,196,805,000	1,455,680,000
Long term provisions	8	83,643,406	76,337,341
		3,310,093,120	10,249,691,434
Current liabilities			
Short term borrowings	9	845,219,892	603,739,915
Trade payables			
- Other payables	10	6,266,834,468	5,547,593,513
Other current liabilities	11	11,912,043,740	4,799,874,958
Short term provisions	12	4,053,778	4,010,834
		19,028,151,878	10,955,219,220
		8,159,215,497	11,198,193,334
ASSETS			
Non current assets			
Fixed assets			
- Tangible assets	13	3,186,808,636	6,295,632,873
- Intangible assets	13	-	56,028
- Capital work in progress	13	57,845,027	57,845,027
Non current investments	14	200,000	200,000
Long term loans and advances	15	1,274,629,734	1,396,646,914
Other non current assets	16	118,195,025	118,781,374
		4,637,678,422	7,869,162,216
Current assets			
Inventories	17	191,801,237	198,285,886
Trade receivables	18	3,083,763,214	2,880,968,971
Cash and bank balances	19	24,751,020	19,910,907
Short term loans and advances	20	212,482,528	137,952,402
Other current assets	21	8,739,077	91,912,952
		3,521,537,076	3,329,031,118
		8,159,215,497	11,198,193,334

Notes from 1 to 54 form an integral part of these financial statements.

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

For Walker Chandiok & Co LLP
Chartered AccountantsSd/-
per **Neeraj Goel**
PartnerPlace: Gurgaon
Date:For and on behalf of board of directors of
MOSER BAER SOLAR LIMITEDSd/-
Deepak Puri
Director
DIN 00002189Sd/-
Suresh Kumar Gupta
Chief Financial Officer
M. No: 16729Sd/-
Nita Puri
Director
DIN 00002331Sd/-
Surender Kumar Mata
Company Secretary
M. No: ACS A7762

MOSER BAER SOLAR LIMITED**Statement of profit and loss for the year ended 31 March 2017***(All amounts in rupees unless otherwise stated)*

Particulars	Notes	Year ended 31 March 2017	Period ended 31 March 2016
REVENUE			
Revenue from operations	22	1,102,709,787	1,759,635,818
Other income	23	140,515,260	7,042,016
Total revenue		1,243,225,047	1,766,677,833
EXPENSES			
Cost of materials consumed	24	634,904,483	414,592,302
Cost of traded goods, net	25	102,571,866	413,674,591
Change in inventory of finished goods and work in progress	26	9,792,768	143,341,801
Employee benefits expense	27	134,783,794	195,913,593
Finance cost	28	1,220,732,869	1,430,075,388
Depreciation, amortisation and impairment	13	794,502,229	975,220,385
Other expenses	29	232,530,265	363,347,562
Total expenses		3,129,818,274	3,936,165,622
Loss before exceptional items and tax		(1,886,593,227)	(2,169,487,788)
Exceptional items- Expense	30	(2,285,718,955)	(6,964,701,176)
Net loss for the year		(4,172,312,182)	(9,134,188,964)
Loss per equity share (Face value of ₹ 10 each) - basic and diluted	41	(7.56)	(16.55)

Notes from 1 to 54 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 Walker Chandiook & Co LLP
Chartered Accountants

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

Sd/-
per **Neeraj Goel**
Partner

Sd/-
Deepak Puri
Director
DIN 00002189

Sd/-
Nita Puri
Director
DIN 00002331

Place: Gurgaon
Date:

Sd/-
Suresh Kumar Gupta
Chief Financial Officer
M. No: 16729

Sd/-
Surender Kumar Mata
Company Secretary
M. No: ACS A7762

MOSER BAER SOLAR LIMITED
Cash flow statement for the year ended 31 March 2017
(All amounts in rupees, unless otherwise stated)

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Cash flow from operating activities:		
Net (loss) before tax	(4,172,312,182)	(9,134,188,964)
Adjustments for:		
Interest income	(3,566,997)	(2,075,040)
Depreciation and amortisation	794,502,229	975,220,385
Finance costs	1,220,732,869	1,430,075,388
Unrealised foreign exchange loss (net)	(15,937,069)	67,425,884
Loss on sale of fixed assets	-	35,009
Provision for diminution in long term investment	-	6,964,701,176
Provision for doubtful debts	-	43,548
Provision for doubtful advances	-	1,276,367
Provision for obsolete inventory	1,172,942	5,378,319
Impairment of fixed assets	2,285,718,955	-
Provision for warranty	3,899,802	3,051,676
Operating profit/(loss) before working capital changes	114,210,548	310,943,748
Adjustments for changes in working capital :		
Decrease/(Increase) in trade receivables	(208,946,592)	(505,973,039)
(Increase)/Decrease in loan and advance and other assets	105,786,351	(87,819,684)
Decrease/(Increase) in inventories	5,311,707	170,244,307
Increase/(Decrease) in trade, current liability and other payables	497,030,296	411,263,953
Cash generated from operations	513,392,309	298,659,285
Taxes paid	27,579,713	(7,288,359)
Net cash generated from operating activities	A 540,972,020	291,370,926
Cash flow from investing activities:		
Proceeds from sale of fixed assets	-	50,000
Interest received	1,561,860	444,281
(Addition)/ net proceeds from fixed deposits	(162,286)	(5,085,252)
Net cash (used in) /generated investing activities	B 1,399,574	(4,590,971)
Cash flow from financing activities:		
Proceeds from long term borrowings	-	39,000,000
Repayments of long term loans	(553,046,531)	(66,231,905)
Repayments of short term loans	166,361,214	-
Interest paid	(150,894,801)	(278,963,630)
Net cash (used) in financing activities	C (537,580,118)	(306,195,535)
(Decrease) in cash and cash equivalents	(A+B+C) 4,791,476	(19,415,581)
Cash and cash equivalents at beginning of the year	10,083,683	29,499,264
Cash and cash equivalents at end of the year	14,875,159	10,083,683
Cash and cash equivalents comprise		
Cash on hand	81,531	165,016
Balance with scheduled banks in-		
- current accounts	14,310,098	9,558,343
- deposits with less than 3 months maturity	483,530	360,324
Total cash and cash equivalents	14,875,159	10,083,683

For Walker Chandik & Co LLP
Chartered Accountants

Sd/-
per Neeraj Goel
Partner

Place: Gurgaon
Date:

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

Sd/-
Deepak Puri
Director
DIN 00002189

Sd/-
Suresh Kumar Gupta
Chief Financial Officer
M. No: 16729

Sd/-
Nita Puri
Director
DIN 00002331

Sd/-
Surender Kumar Mata
Company Secretary
M. No: ACS A7762

MOSER BAER SOLAR LIMITED

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

(All amounts in rupees unless otherwise stated)

1 Basis of preparation

The financial statements are prepared under historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 .

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in the Schedule III to the Companies Act, 2013.

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 year. 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 years.

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 consideration. Sales are recorded net of sales returns, rebates, trade discounts and price differences.

(ii) Revenue from Construction contracts

Revenue in respect of construction contracts, which extend beyond an accounting year and where the outcome can be reliably estimated, is recognised on 'Percentage of Completion' method by calculating the portion that costs incurred upto the reporting date bear to the latest estimated total costs of each contract. In other cases revenue is recognised only to the extent of contract costs incurred of which recovery is probable.

Unbilled receivables represent revenue recognised based on 'Percentage of Completion Method' as per policy prescribed above, which are not actually billed to customer as plan agreed with the customers.

(iii) Revenue from sale of service

Income from sale of services is recognised as and when services are rendered and when no significant uncertainty exists regarding realisation of the consideration.

Income from utility rentals are accounted for based on terms and conditions of the contract on time proportion basis

(iv) Other income

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

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

(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 permanent nature. Expenditure on assets which are of removable nature are recorded in the respective category of assets.

(ii) Intangible assets

Intangible assets represents computer softwares and are at their cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

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".

MOSER BAER SOLAR LIMITED

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

(All amounts in rupees unless otherwise stated)

(c) Depreciation and amortisation

(i) Tangible assets

Depreciation on tangible fixed assets is provided under straight-line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

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 year is being provided up to the date on which such assets are sold/ disposed off.

In case the historical cost of an asset undergoes a change due to an increase or decrease in related long term monetary liability on account of foreign exchange fluctuations, 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, not exceeding 5 years, as estimated by management to be the economic life of the asset over which economic benefits are expected to flow.

Impairment, if any, in the carrying value of fixed assets is assessed at the end of each financial period/year in accordance with the accounting policy given below on "Impairment of Assets".

(d) 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.

(e) 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 costs, labour costs and appropriate portion of overheads and non-recoverable duties.

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

(iii) Provision for obsolescence and slow moving inventory is made below cost based on management's best estimates of net realisable value.

(f) Borrowing costs

Borrowing costs directly attributable to acquisition, construction or erection of fixed assets, which necessarily take a substantial period of time to be ready for the intended use, are capitalised. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses 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.

(g) Employee benefits

(i) Provident fund and Employees' state insurance

The Company makes contribution to statutory provident fund 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 year 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 year 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 period/year in which such gains or losses arise.

MOSER BAER SOLAR LIMITED

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

(All amounts in rupees unless otherwise stated)

(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.

(iv) Other Benefits

Liability for long term employee retention schemes is determined on the basis of actuarial valuation at the year/period 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.

(v) Other short term benefits

Expense in respect of other short term benefits is recognised on the basis of amount paid or payable for the year during which services are rendered by the employees.

(h) 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

(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

(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.

(i) Taxation

Tax expense comprises current tax and deferred tax.

(i) Current tax:

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

(ii) Deferred tax:

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

(j) Leases

(i) Finance lease

Assets acquired under finance leases are recognised as an asset and a liability at the lower of the fair value of the leased assets at inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability and charged in the statement of profit and loss.

(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 straight line basis over the term of lease.

(k) 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.

MOSER BAER SOLAR LIMITED

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

(All amounts in rupees unless otherwise stated)

(l) Warranty claims

The Company provides up to 5 year limited warranty that crystalline silicon solar photo voltaic modules (the 'modules') are free from defects in materials and workmanship, a 12 year limited warranty of 90 percent power output and a 25 year limited warranty of 80 percent of power output of its modules.

The Company accrues warranty costs, at the time when revenue is recognised.

Actual warranty costs are accumulated and charged against the accrued warranty liability. To the extent that actual warranty costs differ from the estimates, the Company will prospectively revise its accrual rate.

(m) 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.

(n) Earnings per share

Basic earnings per share are 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 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.

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number	Amount	Number	Amount
Authorised				
Equity shares of ₹ 10 each	572,000,450	5,720,004,500	572,000,450	5,720,004,500
Preference shares of ₹ 10 each	451,450,000	4,514,500,000	451,450,000	4,514,500,000
	<u>1,023,450,450</u>	<u>10,234,504,500</u>	<u>1,023,450,450</u>	<u>10,234,504,500</u>
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each fully paid up	552,000,404	5,520,004,040	552,000,404	5,520,004,040
Class A fully convertible, non-cumulative ₹ 1 dividend bearing preference Shares of ₹ 10 each	196,450,000	1,964,500,000	196,450,000	2,035,000,000
Class B fully convertible, non-cumulative ₹ 1 dividend bearing preference Shares of ₹ 10 each	65,000,000	650,000,000	65,000,000	650,000,000
Class C Redeemable, non-cumulative ₹ 1 dividend bearing preference Shares of ₹ 10 each	146,000,000	1,460,000,000	146,000,000	1,460,000,000
Class D optionally redeemable, ₹ 1 dividend bearing preference Shares of ₹ 10 each	16,000,000	160,000,000	16,000,000	160,000,000
Class E Redeemable, non-cumulative ₹ 1 dividend bearing preference Shares of ₹ 10 each	1,950,000	19,500,000	1,950,000	19,500,000
Class F Redeemable, non-cumulative ₹ 1 dividend bearing preference Shares of ₹ 10 each	5,100,000	51,000,000	5,100,000	51,000,000
Total	<u>982,500,404</u>	<u>9,825,004,040</u>	<u>982,500,404</u>	<u>9,825,004,040</u>

A Terms and rights attached to all class of shares

- (i) The Company has two classes of shares referred to equity shares and preference shares having a par value of ₹ 10 each. Each equity shareholder is entitled for one vote per share held. The dividend proposed by the Board of directors, if any is subject to the approval of the equity 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 to all preferential shareholders, in proportion to their shareholding.
- (ii) **Class A preference shares**
During the year 2007-08, the Company allotted 196,450,000 non-cumulative, fully convertible ₹ 1 dividend bearing Class A preference shares of ₹ 10 each to IDFC Private Equity Fund II and Infrastructure Development Finance Company Limited. The shares are compulsorily convertible into equity shares of the Company or, subject to receipt of regulatory approvals, to be swapped with equity shares of MB Solar Holdings Limited (holding company) on 11 November 2011.
The above preference shares became due for conversion on 11 November 2011 as initial public offer had not been completed by the long stop date. The Company is in negotiations with preference shareholders for proposed conversion of such preference shares into equity shares as per the shareholders agreement. Pending finalisation of such revised arrangement between Moser Baer Solar Limited and the preference shareholders as well as receipt of regulatory approvals, no equity shares have been issued by 31 March 2016.
- (iii) **Class B preference shares**
During the year 2008-09, the Company allotted 65,000,000 non-cumulative, fully convertible ₹ 1 dividend bearing Class B preference shares of ₹ 10 each to IDFC Private Equity Fund II and Infrastructure Development Finance Company Limited. The shares are compulsorily convertible into equity shares of the Company or, subject to receipt of regulatory approvals, to be swapped with equity shares of MB Solar Holdings Limited (holding company) on 11 November 2011.
The above preference shares became due for conversion on 11 November 2011 as initial public offer had not been completed by the long stop date. The Company is in negotiations with preference shareholders for proposed conversion of such preference shares into equity shares as per the shareholders agreement. Pending finalisation of such revised arrangement between Moser Baer Solar Limited and the preference shareholders as well as receipt of regulatory approvals, no equity shares have been issued by 31 March 2016.
- (iv) **Class C preference shares**
During the year 2009-10, the Company allotted ₹ 1 dividend bearing Class C preference shares of Rs 10 each, which are subject to compulsory redemption within 20 years from the date of allotment thereof (26 March 2030 for 105,000,000 shares and 31 March 2030 for 41,000,000 shares) at 9% premium compounded quarterly. These shares are held by the Ultimate Holding Company, Moser Baer India Limited.
- (v) **Class D preference shares**
During the year 2011-12, the Company allotted ₹ 1 dividend bearing Class D preference shares of ₹ 10 each, which are subject to optional redemption within 20 years from the date of allotment thereof (28 December 2031 for 16,000,000 shares) at 9% premium compounded quarterly. These shares are held by the fellow subsidiary Company, Value Solar Energy Private Limited.
- (vi) **Class E preference shares**
During the year 2013-14, the Company allotted ₹ 1 dividend bearing Class E preference shares of Rs 10 each, which are subject to optional redemption within 20 years from the date of allotment (26 March 2014) thereof. These shares are held by Mrs Nita Puri (950,000 shares) and Mr. Deepak Puri (1,000,000 shares).
- (vii) **Class F preference shares**
During the year 2013-14, the Company allotted ₹ 1 dividend bearing Class D preference shares of Rs 10 each, which are subject to optional redemption within 20 years from the date of allotment (26 March 2014) thereof. These shares are held by Mrs Nita Puri (1,500,000 shares), Mr. Deepak Puri (7,00,000 shares) and Moser Baer Infrastructure & Developers Limited 2,900,000 shares).

B Reconciliation of the number of shares outstanding at beginning and end of reporting year :-

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number	Amount	Number	Amount
Share outstanding at the beginning of the year	552,000,404	5,520,004,040	552,000,404	5,520,004,040
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>552,000,404</u>	<u>5,520,004,040</u>	<u>552,000,404</u>	<u>5,520,004,040</u>
(ii) Preference shares				
Share outstanding at the beginning of the year	430,500,000	4,305,000,000	423,450,000	4,234,500,000
Add: Shares issued during the year	-	-	7,050,000	70,500,000
Shares outstanding at the end of the year	<u>430,500,000</u>	<u>4,305,000,000</u>	<u>430,500,000</u>	<u>4,305,000,000</u>

MOSER BAER SOLAR LIMITED

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

(All amounts in rupees, unless otherwise stated)

C Shareholders holding more than 5 % of share capital

Name of shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹ 10 each fully paid				
MB Solar Holding Limited (Holding Company)	552,000,404	100.00	552,000,404	100.00
Class A fully convertible, non-cumulative ₹ 1 dividend bearing preference shares of ₹ 10 each				
IDFC Private Equity Fund II	157,160,000	80.00	157,160,000	80.00
Infrastructure Development Finance Company Limited	39,290,000	20.00	39,290,000	20.00
Class B fully convertible, non-cumulative ₹ 1 dividend bearing preference shares of ₹ 10 each				
IDFC Private Equity Fund II	43,000,000	66.15	43,000,000	66.15
Infrastructure Development Finance Company Limited	22,000,000	33.85	22,000,000	33.85
Class C redeemable, non-cumulative ₹ 1 dividend bearing preference Shares of ₹ 10 each				
Moser Baer India Limited	146,000,000	100.00	146,000,000	100.00
Class D redeemable preference shares of ₹ 10 each				
Value Solar Energy Private Limited	16,000,000	100.00	16,000,000	100.00
Class E redeemable, non-cumulative ₹ 1 dividend bearing preference Shares of ₹ 10 each				
Mr. Deepak Puri	1,000,000	51.28	1,000,000	51.28
Mrs Nita Puri	950,000	48.72	950,000	48.72
Class F redeemable, non-cumulative ₹ 1 dividend bearing preference Shares of ₹ 10 each				
Mr. Deepak Puri	700,000	13.73	700,000	13.73
Mrs Nita Puri	1,500,000	29.41	1,500,000	29.41
Moser Baer Infrastructure & Developers Limited	2,900,000	56.86	2,900,000	56.86

D No shares have been issued for consideration other than cash or as bonus shares in the current reporting year and in last five years immediately preceding the current reporting year.

5 Reserve and surplus

Particulars	As at 31 March 2017	As at 31 March 2016
Deficit as per statement of profit and loss		
Opening balance	(19,831,721,360)	(10,694,196,515)
Less: Adjustment on account of depreciation	-	(3,335,881)
Add: (Net loss) for the year	(4,172,312,182)	(9,134,188,964)
Closing balance	(24,004,033,542)	(19,831,721,360)

6 Long term borrowings

Particulars	As at 31 March 2017	As at 31 March 2016
Secured		
Term loans		
- Rupee term loans from banks		
Term loans	-	2,919,603,297
Working capital term loans	-	1,132,131,000
Funded interest term loans	-	977,891,699
- Foreign currency term loans from banks		
Foreign currency loans	-	349,767,844
-From others		
Rupee term loans	-	315,273,332
Foreign currency loans	-	678,144,192
	[A]	6,372,811,364
Unsecured		
13.25% non convertible debentures issued to Moser Baer India Limited, Ultimate Holding Company	500,000,000	500,000,000
Finance lease obligations	1,264,555,296	1,579,773,311
Loan from Microgreen Electronics Private Limited	76,900,000	76,900,000
Loans from fellow subsidiary company	151,189,418	151,189,418
Loans from other related party	33,000,000	33,000,000
Loans from GMM Barter Private limited	4,000,000	4,000,000
	[B]	2,344,862,729
Total	[A]+[B]	8,717,674,093

MOSER BAER SOLAR LIMITED

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

(All amounts in rupees, unless otherwise stated)

Additional disclosures :
(a) Nature of security and terms of repayment for secured borrowings as at 31 March 2017 and 31 March 2016

Particulars	As at 31 March 2017	As at 31 March 2016	Nature of security	Repayment terms
Term Loan	4,205,719,386	4,205,719,386	(i) First pari-passu charge by way of mortgage on entire fixed assets, immovable properties plot no 66 B Udyog Vihar, Greater Noida comprising of 21,000 sq mtr of land together with building and structures constructed/to be constructed with fixed plant and machinery and hypothecation on movable fixed assets. (ii) Second pari passu charge on entire current assets, both present and future, of the company (subject to no objection certificate (NOC) from Bank of Baroda). (iii) Personal guarantee of Mr. Deepak Puri & Mrs. Nita Puri. (iv) Corporate guarantee of M/s Moser Baer India Ltd. (v) Pledge of 51% shareholding of MB Solar Holdings Limited.	Repayable in 31 unequal installment from end of moratorium period i.e. 31 March 2014. First installment commenced from June, 2014.
Working Capital term loan	1,434,812,250	1,434,812,250	(i) First pari-passu charge by way of hypothecation on movable fixed assets of the company. (ii) Second pari passu charge on entire current assets, both present and future, of the company (subject to no objection certificate (NOC) from Bank of Baroda). (iii) Personal guarantee of Mr. Deepak Puri & Mrs. Nita Puri. (iv) Corporate Guarantee of M/s Moser Baer India Ltd. (v) Pledge of 51% shareholding of MB Solar Holdings Limited.	Repayable in 31 unequal installment from end of moratorium period i.e. 31 March 2014. First installment commenced from June, 2014.
Funded interest term loan	1,248,578,905	1,248,578,905	(i) First pari-passu charge by way of hypothecation on movable fixed assets of the company. (ii) Second pari passu charge on entire current assets, both present and future, of the company (subject to no objection certificate (NOC) from Bank of Baroda). (iii) Personal guarantee of Mr. Deepak Puri & Mrs. Nita Puri. (iv) Pledge of 51% shareholding of MB Solar Holdings Limited.	
Foreign currency loan	1,318,216,104	1,346,586,375	Refer Note (b) below	Refer Note (b) below
Total	8,207,326,645	8,235,696,916		
Less: Current Maturities of long term borrowings	8,207,326,645	1,862,885,552		
Net long term borrowings		6,372,811,364		

Interest rate on long term borrowings varies from 10.50% to 11.00% p.a.(previous year 10.50% to 11.00% p.a.)

*Refer note 44 (i) for details of default in repayment of loan and interest

MOSER BAER SOLAR LIMITED
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2017
(All amounts in rupees, unless otherwise stated)
(b) Secured - Foreign currency loan

Name of bank and financial institution	As at 31 March 2017	As at 31 March 2016	Nature of security	Repayment terms
EXIM Bank	872,765,287	892,137,246	(i) First pari-passu charge by way of mortgage on entire fixed assets, immovable properties plot no 66 B Udyog Vihar, Greater Noida comprising of 21,000 sq mtr of land together with building and structures constructed/to be constructed with fixed plant and machinery and hypothecation on movable fixed assets. (ii) Second pari passu charge on entire current assets, both present and future, of the company (subject to no objection certificate (NOC) from Bank of Baroda). (iii) Personal guarantee of Mr. Deepak Puri & Mrs. Nita Puri. (iv) Corporate Guarantee of M/s Moser Baer India Ltd. (v) Pledge of 51% shareholding of MB Solar Holdings Limited.	Repayable in 31 installment from end of moratorium period i.e. 31 March 2014. First installment commencing from 30 June 2014.
Bank of Baroda	445,450,816	454,449,129	(i) First pari-passu charge by way of mortgage on the immovable properties of the company comprising of 21,000 sq mtr of land together with building and structures constructed/to be constructed with fixed plant and machinery and hypothecation on movable fixed assets. (ii) Corporate Guarantee of M/s Moser Baer India Ltd. (iii) Pledge of 51% shareholding of MB Solar Holdings Limited.	Repayable in 31 installment from end of moratorium period i.e. 31 March 2014.
Total	1,318,216,104	1,346,586,374		

The foreign currency term loan carry an interest rate ranging from 4.94% to 5.42% p.a. (previous year 4.94% to 5.42% p.a.)

(c) Terms of repayment for unsecured borrowings:

Particulars	As at 31 March 2017	As at 31 March 2016	Terms of repayment
Non convertible debentures issued to Moser Baer India Limited, Ultimate Holding Company	500,000,000	500,000,000	Non Convertible Debentures (NCD) are redeemable at the end of 8 years from the date of allotment (December 30, 2018 for Debentures having face value ₹ 375,000,000; March 14, 2019 for Debentures having face value ₹ 60,000,000 and March 29, 2019 for Debentures having face value ₹ 65,000,000), unless redeemed earlier, completely or partly, either at the option of the NCD holder against the capital to be raised by the Company or by its parent company or, at any time at the option of the Company.
Finance lease obligations	1,549,773,312	1,911,953,134	Asset acquired under the finance lease comprises of building developed in the special economic zone by the SEZ developer Moser Baer India Limited, the Ultimate Holding Company. The assets under finance lease are for a term of 20 years, with effect from 23 June 2008. The lease may be renewed on mutually agreed terms between the parties. The Company has paid an interest free security deposit of ₹ 330,000,000 which is refundable at the end of lease term.
Total	2,049,773,312	2,411,953,134	
Less: Current portion of finance lease obligation (refer note 11)	285,218,016	332,179,823	
Net unsecured borrowings	1,764,555,296	2,079,773,311	

Non convertible debentures carries a interest rate of 13.25% p.a. Finance lease obligation carries an interest rate ranging from 12.00% to 16.66% p.a.

*Refer note 44 (ii) for details of default in repayment of debenture interest

(d) Loan from Microgreen Electronics Private Limited (Formerly known as Cobol Power & Technologies Private Limited) represents amount received under approved CDR scheme towards promoters contribution. The loan is interest free in nature and repayable in full on 31 December 2029.

(e) Unsecured loan represents amount received from Promoter group companies under approved CDR scheme towards promoters contribution. The loan is interest free in nature and are repayable on demand, subject to terms of CDR.

MOSEER BAER SOLAR LIMITED
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2017
(All amounts in rupees, unless otherwise stated)
7 Other long term liabilities

Particulars	As at 31 March 2017	As at 31 March 2016
Trade payables	1,196,600,000	1,455,500,000
Security deposits	205,000	180,000
Total	1,196,805,000	1,455,680,000

8 Long term provisions

Particulars	As at 31 March 2017	As at 31 March 2016
Provision for employee benefits		
-Gratuity	21,192,861	17,760,048
-Unavailed leaves	4,885,805	4,912,356
Others		
-Provision for warranty	57,564,739	53,664,937
Total	83,643,406	76,337,341

Note:
(i) The movement in provision for warranty from beginning to end of the reporting year is as follows:

Particulars	As at 31 March 2017	As at 31 March 2016
Balance as at the beginning of the year	53,664,937	56,716,613
Add: Provision made during the year	5,597,405	16,486,690
Less: Utilised during the year	1,697,604	19,538,366
Balance as at the end of the year	57,564,738	53,664,937

Warranty provision relate 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.

9 Short term borrowings

Particulars	As at 31 March 2017	As at 31 March 2016
Secured		
From banks		
Cash credit facility	845,219,892	678,858,678
Total	845,219,892	678,858,678

(a) Additional disclosures :

Name of Bank	As at 31 March 2017	As at 31 March 2016	Nature of security
Short term rupee loans			
Punjab National Bank	194,659,399	193,561,160	First pari passu charge by way of hypothecation on the present and future current assets of the company and second pari passu charge on the present and future moveable fixed assets. The rupee term loans carry an interest rate ranging from 10.50% p.a.
Central Bank of India	125,124,242	70,547,029	
State Bank of India	140,418,199	141,432,643	
Indian Overseas Bank	310,876,846	198,199,083	
Bank of Baroda	74,141,206	75,118,764	
Total	845,219,892	678,858,679	

10 Trade payables

Particulars	As at 31 March 2017	As at 31 March 2016
Trade payables		
- Other payables	6,244,517,790	5,512,891,735
Others		
- Other accrued liabilities	19,135,755	31,520,855
- Retention money payable	3,180,923	3,180,923
Total	6,266,834,468	5,547,593,513

11 Other current liabilities

Particulars	As at 31 March 2017	As at 31 March 2016
Current maturities of long term borrowings	8,207,326,645	1,862,885,552
Current maturities of finance lease obligations	285,218,016	332,179,823
Interest accrued but not due on borrowings	6,963,955	6,928,747
Interest accrued and due on borrowings	2,858,696,589	1,955,254,943
Income received in advance	407,314,835	410,009,734
Employee dues	22,973,920	27,175,924
Book overdraft	4,635,552	481,961
Creditors for capital goods	112,015,306	112,003,904
Statutory dues	6,623,540	14,389,772
Others	275,384	3,445,835
Total	11,912,043,740	4,724,756,195

12 Short term provisions

Particulars	As at 31 March 2017	As at 31 March 2016
Provision for employee benefits		
-Gratuity	3,324,267	3,268,978
-Unavailed leaves	729,511	741,856
Total	4,053,778	4,010,834

MOSEER BAER SOLAR LIMITED
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2017
(All amounts in rupees, unless otherwise stated)
13. Fixed assets

Particulars	Gross block				Accumulated depreciation and amortisation					Impairment			Net block		
	Balance as at 1 April 2016	Additions	Other adjustments	Deletions	Balance as at 31 March 2017	Balance as at 1 April 2016	Charge for the period	Deletion	Adjustment	Balance as at 31 March 2017	Balance as at 1 April 2016	Impairment for the year	Balance as at 31 March 2017	Balance as at 31 March 2017	Balance as at 31 March 2016
Tangible assets															
Building under finance lease	1,053,062,807	-	-	-	1,053,062,807	360,118,859	52,663,042	-	-	412,781,901	-	-	-	640,280,906	692,943,948
Leasehold improvement	15,930,189	-	-	-	15,930,189	7,555,363	2,194,450	-	-	9,749,812	1,989,880	3,004,165	4,994,045	1,186,332	6,384,946
Plant and equipments	8,582,379,915	279,139,825	(28,659,086)	-	8,832,860,654	2,532,586,916	467,285,785	-	-	2,999,872,701	1,171,909,275	2,281,596,293	3,453,505,568	2,379,482,385	4,877,883,724
Furniture and fixtures	6,886,106	-	-	-	6,886,106	3,707,280	691,958	-	-	4,399,238	847,830	1,096,751	1,944,582	542,287	2,330,996
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office equipments	6,425,195	-	-	-	6,425,195	5,283,998	28,907	-	-	5,312,905	1,086,122	21,746	1,107,868	4,422	55,075
Utilities under finance lease	2,346,284,657	(279,139,825)	-	-	2,067,144,832	1,630,250,473	271,582,061	-	-	1,901,832,534	-	-	-	165,312,298	716,034,184
Computer equipments	8,728,098	-	-	-	8,728,098	8,583,007	-	-	-	8,583,007	145,091	-	145,091	-	-
Total	12,019,696,968	(0)	(28,659,086)	-	11,991,037,882	4,548,085,897	794,446,203	-	-	5,342,532,099	1,175,978,199	2,285,718,955	3,461,697,153	3,186,808,629	6,295,632,873
Previous year	11,843,347,646	104,079,600	72,824,452	554,731	12,019,696,967	3,570,253,995	974,923,189	(427,169)	3,335,881	4,548,085,896	1,176,020,752	(42,554)	1,175,978,198	6,295,632,874	7,097,072,899
Intangible assets															
Computer software	40,008,933	-	-	-	40,008,933	39,136,956	56,027	-	-	39,192,984	815,949	-	815,949	0	56,028
Total	40,008,933	-	-	-	40,008,933	39,136,956	56,027	-	-	39,192,984	815,949	-	815,949	0	56,028
Previous year	40,008,933	-	-	-	40,008,933	38,839,760	297,196	-	-	39,136,956	815,949	-	815,949	56,028	353,224
Others															
Capital work in progress	57,845,027	-	-	-	57,845,027	-	-	-	-	-	-	-	-	57,845,027	57,845,027
Intangibles assets under development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	57,845,027	-	-	-	57,845,027	-	-	-	-	-	-	-	-	57,845,027	57,845,027
Previous year	57,845,027	-	-	-	57,845,027	-	-	-	-	-	-	-	-	57,845,027	57,845,027

(1) Other adjustments represents

a) exchange loss arising on restatement of long term foreign currency monetary liabilities.

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MOSER BAER SOLAR LIMITED

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

(All amounts in rupees, unless otherwise stated)

14 Non current investments

Particulars	As at 31 March 2017	As at 31 March 2016
Trade (unquoted)		
Investment in equity shares (refer note 51)	200,000	200,000
Total	200,000	200,000
Details of trade investments		
Particulars	As at 31 March 2017	As at 31 March 2016
Unquoted trade investments		
(a) In equity shares of subsidiary companies		
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)		
281,079,980 (previous year 281,079,980) equity shares of ₹ 10 each (fully paid up)	2,968,689,800	2,968,689,800
Less: Provision of diminution in the value of investments(refer note 51)	(2,968,689,800)	(2,968,689,800)
Pride Solar Systems Private Limited		
10,000 (previous year 10,000) equity shares of ₹ 10 each (fully paid up)	100,000	100,000
Admire Energy Solutions Private Limited		
10,000 (previous year 10,000) equity shares of ₹ 10 each (fully paid up)	100,000	100,000
Moser Baer Solar Systems Private Limited		
(Formerly known as Arise Solar Energy Private Limited)		
10,000 (previous year 10,000) equity shares of ₹10 each (fully paid up)	100,000	100,000
15,500 (previous year 15,500) equity shares of ₹10 each (fully paid up)	38,750,000	38,750,000
Less: Provision of diminution in the value of investments	(38,850,000)	(38,850,000)
A	200,000	200,000
(b) In preference shares		
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)		
55,568,850 (previous year 55,568,850) up to 9% cumulative, redeemable series B preference share of ₹ 10 each (fully paid up)	595,698,072	595,698,072
4,275,034 (previous year 4,275,034) up to 9% cumulative, redeemable series B-1 preference share of ₹ 10 each (fully paid up)	44,503,104	44,503,104
393,000,000 (previous year 393,000,000) up to 9% non cumulative, redeemable series C preference share of ₹ 10 each (fully paid up)	3,930,000,000	3,930,000,000
Less: Provision of diminution in the value of investments	(4,570,201,176)	(4,570,201,176)
B	-	-
Total (A+B)	200,000	200,000

15 Long term loans and advances

Particulars	As at 31 March 2017	As at 31 March 2016
<i>Unsecured, considered good (unless otherwise stated)</i>		
Security deposit		
- to Ultimate Holding Company	1,245,000,000	1,335,000,000
- to others	2,647,479	2,647,250
Balance with government authorities	10,375,470	14,813,166
Prepaid taxes	16,606,785	44,186,498
Total	1,274,629,734	1,396,646,914

MOSER BAER SOLAR LIMITED
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2017
(All amounts in rupees, unless otherwise stated)
16 Other non current assets

Particulars	As at 31 March 2017	As at 31 March 2016
Long term trade receivables		
-Unsecured and considered good	108,126,725	108,826,723
Fixed deposits		
Fixed deposits under lien	10,068,300	9,954,651
Total	118,195,025	118,781,374

17 Inventories

Particulars	As at 31 March 2017	As at 31 March 2016
Raw materials	17,247,891	22,345,854
Goods-in transit	15,795,463	6,577,099
Finished goods	82,138,398	125,454,263
Work in progress	37,930,153	4,407,056
Stock-in-trade	7,919,822	7,756,867
Stores and spares	25,878,843	28,403,982
Goods-in transit	24,421	-
Loose tools	541,334	542,284
Packing material	4,324,912	2,543,506
Goods-in transit	-	254,975
Total	191,801,237	198,285,886

18 Trade receivables

Particulars	As at 31 March 2017	As at 31 March 2016
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	2,571,657,030	2,554,989,602
Unsecured, considered doubtful	81,240,491	81,240,568
Less: Provision for doubtful debts	(81,240,491)	(81,240,568)
	2,571,657,030	2,554,989,602
Others		
Unsecured, considered good	512,106,184	325,979,369
	512,106,184	325,979,369
Total	3,083,763,214	2,880,968,971

19 Cash and bank balances

Particulars	As at 31 March 2017	As at 31 March 2016
Cash and cash equivalents		
Cash in hand	81,531	165,016
Bank balances in		
- In current accounts	14,310,098	9,558,343
- Deposits with less than 3 months maturity	483,530	360,324
	14,875,159	10,083,683
Other bank balances		
Fixed deposits with maturity of less than 12 months	-	845,680
Fixed deposits under lien	9,875,861	8,981,544
	9,875,861	9,827,224
Total	24,751,020	19,910,907

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MOSER BAER SOLAR LIMITED
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2017
(All amounts in rupees, unless otherwise stated)
20 Short term loans and advances

Particulars	As at 31 March 2017	As at 31 March 2016
Loans and advances to related parties		
Unsecured, considered good	78,440,046	77,296,137
Others		
Unsecured, considered good		
- Advances to suppliers	42,568,319	25,445,021
- Security deposits	61,838,205	3,878,903
- Balance with government authorities	23,374,245	23,069,913
- Advances to employees	902,622	722,118
- Prepaid expenses	4,488,234	5,417,155
- Others	870,857	2,123,155
Unsecured, considered doubtful		
- Advances	181,453,490	182,081,489
- Less: Provision for doubtful advances	(181,453,490)	(182,081,489)
- Security deposit	2,132,398	-
- Less: Provision for doubtful security deposit	(2,132,398)	-
Total	212,482,528	137,952,402

21 Other current assets

Particulars	As at 31 March 2017	As at 31 March 2016
Interest accrued on fixed deposits	5,369,230	3,364,093
Amount recoverable from banks under CDR scheme	-	80,994,536
Unbilled revenue	3,369,847	7,554,323
Total	8,739,077	91,912,952

22 Revenue from operations

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Sale of products	690,219,343	1,137,123,778
Sale of services	412,388,981	616,850,958
Other operating revenues		
- Scrap sales	101,463	5,661,082
Total	1,102,709,787	1,759,635,818

Note:
(a) Details of sales of major products are as follows :

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Modules	639,854,018	1,025,036,500
Thin films	7,107,863	6,294,422
Cells	-	1,106,725
Others	43,257,462	104,686,131
Total	690,219,343	1,137,123,778

(b) Details of sale of services are as follows:

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Service sales	38,025,883	92,840,884
Utility rental income	374,363,099	524,010,074
Total	412,388,982	616,850,958

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

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Interest income		
- from deposits with banks	3,566,997	2,075,040
- on refund of income tax	7,954,279	-
Net Gain on foreign currency translation	44,786,281	-
Excess provisions no longer required written back	83,006,994	-
Other income	1,200,710	4,966,976
Total	140,515,260	7,042,016

24 Cost of materials consumed

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Raw materials	627,890,105	409,181,203
Packing material	7,014,378	5,411,099
Total	634,904,483	414,592,302

Detail of raw materials consumption

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
For module		
-Multi cells	394,062,166	170,929,381
-Glass	55,091,636	48,154,306
-Back sheets	35,936,896	44,104,343
-Aluminium frames	54,892,806	51,005,513
-Miscellaneous	87,906,601	94,972,197
For cell		
-Miscellaneous	-	15,463
Total	627,890,105	409,181,203

25 Cost of traded goods

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Modules	53,154,956	350,155,880
Balance of systems	47,666,095	46,000,688
Cells	817,480	11,655,942
Thin Film	19,859	1,380,492
Others	913,476	4,481,589
Total	102,571,866	413,674,591

26 Change in inventory of finished goods and work in progress

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Opening stock of finished goods and work in progress	129,861,319	273,203,120
Less : Closing stock of finished goods and work in progress	(120,068,551)	(129,861,319)
Total	9,792,768	143,341,801

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

27 Employee benefits expense		
Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Salaries, wages and bonus	113,690,650	178,863,983
Contributions to -		
- Provident and other funds	5,707,890	8,396,640
- Gratuity fund	10,436,724	1,503,332
Staff welfare	4,948,530	7,149,638
Total	134,783,794	195,913,593
28 Finance cost		
Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Interest expense on		
- term loans	1,000,107,637	1,114,644,725
- working capital facilities	77,574,633	77,804,914
- debentures	66,249,899	82,767,122
- finance lease obligations	76,360,178	153,331,888
- others	440,522	526,739
Other borrowing cost	-	1,000,000
Total	1,220,732,869	1,430,075,388
29 Other expenses		
Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Consumption of stores and spare parts	5,918,710	8,042,690
Power and fuel	112,965,450	100,997,281
Freight and forwarding	8,340,672	15,639,364
Installation and commissioning expenses	8,119,851	25,974,350
Commission on sales	1,877,897	2,211,218
Rent	14,640,000	18,300,000
Repairs and maintenance		
- machinery	149,827	1,087,965
- others	3,726,154	3,589,854
Insurance	5,842,097	9,546,393
Rates and taxes	153,350	1,044,667
Remuneration to auditors	2,989,465	2,951,050
Travelling and conveyance	2,889,234	9,660,526
Legal and professional	10,684,493	16,593,959
Warranty expenses	5,597,406	16,486,690
Loss on sale of fixed assets	-	35,008
Provision for doubtful advances	-	1,276,367
Provision for doubtful debtors	-	43,548
Bad Debts	132,363	-
Provision for inventory	1,172,942	5,378,319
Provision for Security Deposit	2,132,398	-
Loss on foreign currency transaction	-	63,055,794
Testing Charges	3,276,603	6,561,237
Others	41,921,355	54,871,282
	232,530,265	363,347,562
Note:		
Remuneration to auditors:		
Particulars	Year ended 31 March 2017	Period ended 31 March 2016
For statutory audit fees	1,400,000	2,370,000
For other services	1,395,000	450,000
For reimbursement of expenses	194,465	131,050
	2,989,465	2,951,050
30 Exceptional items - income / (losses)		
Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Impairment of fixed assets	(2,285,718,955)	-
Provision for diminution in long term investment	-	(6,964,701,176)
	(2,285,718,955)	(6,964,701,176)

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

In respect of:-

(i) Bank guarantees ₹ 35,575,605 (previous year ₹ 36,465,980)

(ii) Disputed tax demands in respect of:-

Particulars	As at	As at
	31 March 2017	31 March 2016
Entry tax (financial year 2008-09 & 2009-10)	-	37,117
Value added tax (financial year 2009-10)	2,061,147	4,972,330
Central sales tax forms (financial year 2011-12)	2,191,423	5,235,378
Central sales tax forms (financial year 2012-13)	1,364,000	-
Total	5,616,570	10,244,825

32 Leases:
(a) Finance lease

Assets acquired under finance lease comprises of buildings and utilities developed in the special economic zone from Moser Baer India Limited, the Ultimate Holding Company.

(i) The brief particulars of assets under finance lease are as under:

Assets	Effective from	Term of the lease
Building I	23 June 2008	20 years
Building II	31 March 2010	20 years
Utility I	31 March 2010	7 years
Utility II	31 March 2010	8 years
Utility III	31 March 2010	9 years
Utility IV	31 March 2010	10 years

The lease may be renewed on mutually agreed terms between the parties.

The Company has paid an interest free security deposit of ₹ 1,245,000,000 (previous year ₹ 1,335,000,000), which is refundable at the end of lease term.

 (ii) **Reconciliation of minimum lease payments and their present value in respect of assets taken on finance lease is as under :**

Particulars	Minimum lease payments as at 31 March 2017	Present value of minimum lease payments as at 31 March 2017	Finance charges/ (Income) - net
Amount paid upto 31 March 2017	4,339,980,000	3,262,593,914	1,077,386,086
<i>Previous year</i>	<i>3,931,440,000</i>	<i>3,080,754,421</i>	<i>850,685,579</i>
Amount payable within one year	320,940,000	126,860,091	194,079,909
<i>Previous year</i>	<i>408,540,000</i>	<i>181,839,493</i>	<i>226,700,507</i>
Amount payable later than one year but not later than 5 years	225,280,000	66,820,486	158,459,514
<i>Previous year</i>	<i>524,140,000</i>	<i>190,122,673</i>	<i>334,017,327</i>
Amount payable later than 5 years	142,560,000	14,608,810	127,951,190
<i>Previous year</i>	<i>164,640,000</i>	<i>18,166,733</i>	<i>146,473,267</i>
Total	5,028,760,000	3,470,883,301	1,557,876,699
Previous year	5,028,760,000	3,470,883,320	1,557,876,680

b) Operating leases

(i) Total lease payments recognised in the statement of profit and loss amount to ₹ 9,720,000 (previous year ₹ 9,720,000) [excludes rent paid on leased land amounting to ₹ 16,920,000 (previous year ₹ 16,920,000)].

(ii) The Company has entered into a cancellable operating lease agreements for lease of common building areas, storage and supply equipments and machineries. These are renewable on terms and conditions as mutually agreed between the parties.

33 Foreign currency exposures not hedged as at year end are as under:

Currency exchange	As at 31 March 2017		As at 31 March 2016	
	Receivables	Payables	Receivables	Payables
USD	5,192,523	20,797,484	6,589,428	21,138,776
INR	336,683,219	1,546,059,492	432,730,976	1,415,038,105
EURO	-	13,482,301	3,550,783	12,114,205
INR	-	1,096,953,900	222,088,532	815,882,094
JPY	22,702,661	354,347	88,864,112	-
INR	12,844,215	206,478	51,844,376	-
CHF	1,321	-	1,321	-
INR	85,346	-	90,985	-
CNY	-	25,806	-	13,788
INR	-	243,073	-	141,686
GBP	-	3,151	-	8,000
INR	-	247,945	-	761,464
HKD	2,130	20,958	-	18,828
INR	17,791	175,056	-	160,839
SGD	150	-	150	-
INR	6,978	-	7,374	-

MOSER BAER SOLAR LIMITED

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

(All amounts in rupees, unless otherwise stated)

34 Earnings in foreign exchange (accrual basis) :

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Value of exports on FOB basis	23,715,583	1,595,164,428
Total	23,715,583	1,595,164,428

35 Disclosures pursuant to Accounting Standard (AS) 7 "Construction Contracts" :

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Contract revenue recognised during the year	20,830,919	101,724,639
Aggregate amount of contract costs incurred for all contracts in progress as at year end	20,843,952	74,895,587
Recognised profits (losses) for all contracts in progress as at the year end	(13,033)	26,829,052

36 Imports (valued on CIF basis):

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Purchase of traded goods	2,626,424	306,723,229
Raw material	127,883,988	204,264,833
Stores, spares and consumables	1,831,853	1,322,381
Total	132,342,265	512,310,442

37 Activity in foreign currency:

Expenditure in foreign currency (on accrual basis) :

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Legal and professional	226,427	2,727,118
Travelling and conveyance	570,059	1,469,866
Finance cost	63,129,861	100,332,611
Selling expenses	-	-
Freight outward	40,140	1,983,205
Repair and maintenance	10,035	526,703
Testing charges	2,800,710	8,369,015
Office upkeep	1,171,733	-
Rates and taxes	110,994	1,219,509
Commission on sales	-	247,216
Business promotion	564,103	-
Job work charges	-	-
Miscellaneous expenses	651,055	8,373,930
Total	69,275,117	125,249,173

38 Segment reporting

The Company is engaged in the business of manufacture and sale of Photovoltaic products" forming part of the "Solar" business, which as per Accounting Standard 17 on "Segment Reporting" of the Companies (Accounting Standards) Rules 2014 is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment.

39 Quantitative details:

Composition of raw material, packing material, stores, spares and consumables	Raw material and packing material		Stores, spares and consumables	
	Year ended 31 March 2017	Period ended 31 March 2016	Year ended 31 March 2017	Period ended 31 March 2016
Imported				
Percentage	83%	83%	19%	19%
Value (₹)	170,286,023	343,488,307	2,026,638	1,519,717
Indigenous				
Percentage	17%	17%	81%	81%
Value (₹)	468,738,038	71,103,995	3,918,345	6,522,973
Total %	100%	100%	100%	100%
Total Value	639,024,061	414,592,302	5,944,983	8,042,690

40 Employee benefit obligations

The following are the employee benefit plans applicable to the employees of the Company:

(a) Defined benefit plans - Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit plan, covering eligible employees, in India.

(i) The movement in the benefit obligation for gratuity benefit plan from beginning to end of reporting year is as follows:

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Opening balance of defined benefit obligation	21,681,235	25,913,649
Add: Current/ Past service cost	1,822,279	1,819,525
Add: Interest cost	1,617,532	2,462,053
Add: Actuarial losses/ (gains)	7,125,673	(2,591,826)
Less: Benefits paid	(6,736,682)	(5,922,166)
End of year	25,510,037	21,681,235

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

- (ii) The components of amounts recognised in the statement of profit and loss for gratuity benefit plan are as follows:

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Current service cost	1,822,279	1,819,525
Interest cost	1,617,532	2,462,053
Expected return on plan asset	(128,760)	(294,765)
Actuarial losses/ (gains)	7,125,673	(2,464,721)
Expense to be recognised in statement of profit and loss	10,436,724	1,522,092

- (iii) The principal actuarial assumptions used for gratuity benefit plan were as follows:

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Discount rate	7.00%	7.84%
Future salary increase	10.00%	10.00%
Rate of return on plan assets	7.00%	7.84%
Expected average remaining working lives of employees (years)	5.89	5.85

- (iv) Changes in the fair value of plan assets of gratuity fund form beginning to end of reporting year is as follows:

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Plan assets at beginning of the year	652,209	5,425,525
Expected return on plan assets	128,760	294,765
Contribution	6,948,622	981,190
Benefits payments	(6,736,682)	(5,922,166)
Actuarial Gain Loss	-	(127,105)
Fair value of plan assets at the end of the year	992,909	652,209

- (v) 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 for last five years including current year is as follows:

Particulars	Employee's gratuity fund (funded)				
	As at 31 March 2017	As at 31 March 2016	As at 31 December 2014	As at 31 December 2013	As at 31 March 2013
The present value of the defined benefit obligation	25,510,038	21,681,236	25,913,649	22,561,870	30,119,098
The fair value of the plan assets	992,909	652,209	5425525	6169892	342,497
Surplus or (deficit) in plan assets	(24,517,129)	(21,029,027)	20,488,124	(16,391,977)	(29,776,601)
Experience adjustments on plan liabilities (loss)/ gain	7,125,673	(2,591,825)	824,755	(4,259,493)	21,916,408
Experience adjustments on plan assets (loss)/ gain	-	(127,105)	154,729.00	-	-

MOSER BAER SOLAR LIMITED
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2017
(All amounts in rupees, unless otherwise stated)
(b) Unavailed leaves(unfunded)

The Company permits encashment of leave accumulated by their employees on retirement, separation and during the course of service. The liability for unavailed leave is determined and provided on the basis of actuarial valuation performed by an independent actuary at balance sheet date. This plan is completely unfunded as of 31 March 2016 .

(i) The movement in the benefit obligation for unavailed leaves(unfunded) from beginning to end of reporting period is as follows

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Opening balance of defined benefit obligation	5,263,073	6,938,620
Current/ Past service cost	958,928	1,215,774
Interest cost	424,739	704,844
Actuarial losses/ (gains)	(339,314)	39,317
Benefits paid	(1,137,962)	(3,635,482)
Closing balance of defined benefit obligation	5,169,464	6,938,620

(ii) The components of amounts recognised in the statement of profit and loss for unavailed leaves are as follows:

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Current service cost	958,928	1,215,774
Interest cost	424,739	704,844
Actuarial losses/ (gains)	(339,314)	39,317
Expense to be recognised in the statement of profit and loss	1,044,353	1,959,935

(iii) The principal actuarial assumptions used for determination of liability in respect of unavailed leaves(unfunded) are as follows:

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Discount rate	7.00%	7.84%
Future salary increase	10.00%	10.00%
Expected average remaining working lives of employees (years)	5.89	5.85

(iv) The movement in the benefit obligation for unavailed leaves(unfunded) from beginning to end of reporting year is as follows

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 December 2014	As at 31 December 2013	As at 31 March 2013
Opening balance of defined benefit obligation	5,263,073	6,938,620	5,966,747	6,005,659	2,829,583
Current/ Past service cost	958,928	1,215,774	1,115,443	1,205,906	1,109,143
Interest cost	424,739	704,844	528,057	398,327	214,602
Actuarial losses/ (gains)	(339,314)	39,317	591,241	1,414,481	4,739,033
Benefits paid	(1,137,962)	(3,635,482)	(1,262,868)	(3,057,627)	(2,886,702)
Closing balance of defined benefit obligation	5,169,464	6,938,620	6,938,620	5,966,746	6,005,659

(c) Defined contribution plan

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

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Employers' contribution to provident fund	2,654,449	4,286,618
Total	2,654,449	4,286,618

(ii) State plan

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Employers' contribution to Employees' State Insurance Act, 1948	84,335	28,485
Employers' contribution to Employees' Pension Scheme, 1995	2,594,880	3,512,848
Total	2,679,215	3,541,333

41 Loss per share

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
a) Calculation of weighted average number of equity shares		
Total number of equity shares outstanding at the beginning of the year	552,000,404	552,000,404
Total number of equity shares outstanding at the end of the year	552,000,404	552,000,404
Weighted average number of equity shares outstanding at the end of the year	552,000,404	552,000,404
b) Computation of earnings/ (loss) per share after exceptional item		
Net loss after tax attributable to equity shareholders after exceptional item	(4,172,312,182)	(9,134,188,964)
Basic and diluted earnings per share (face value per share ₹ 10 each)- after exceptional item	(7.56)	(16.55)

Note:

The convertible preference shares are anti-dilutive and are ignored in the calculation of diluted earning per share.

MOSER BAER SOLAR LIMITED**Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2017***(All amounts in rupees, unless otherwise stated)***42 Related party transactions**

In accordance with the requirements of Accounting Standard - 18 'Related Party Disclosures' as notified by 'The Companies (Accounting Standards) Rules, 2014' 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**Ultimate Holding Company**

Moser Baer India Limited

Intermediate Holding Company

Photovoltaic Holdings Limited (I)

Holding CompanyMB Solar Holding Limited *(formerly known as Moser Baer Solar Limited)***Wholly Owned Subsidiary**Helios Photo Voltaic Limited *(formerly known as Moser Baer Photo Voltaic Limited)*

Pride Solar Systems Private Limited

Admire Energy Solutions Private Limited

Moser Baer Solar Systems Private limited *(formerly known as Arise Solar Energy Private Limited)*

Competent Solar Energy Private Limited

Perafly Limited

Moser Baer Photovoltaic Inc

Fellow Subsidiary

OM&T B.V.**

European Optic Media Technology GmbH

Moser Baer Infrastructure and Developers Limited

Value Solar Energy Private Limited

Moser Baer Investments Limited

Moser Baer Entertainment Limited

Enterprise over which Key Managerial Personnel (KMP) exercise significant influence

Millgreen Power Limited

Microgreen Electronics Private Limited *(formerly known as Cobol Power & Technologies Private Limited)*

Natia Consultancy Private Limited

Moser Baer Infrastructure and Developers Limited

Key Management Personnel * (KMP)

Mr. Deepak Puri

Mrs. Nita Puri

* The Key managerial personnel do not draw any remuneration from the Company

** Under liquidation w.e.f 1 October 2013

(b) Details of transactions with the related parties during the year in ordinary course of business along with year end balances are as follows:-

Particulars	Year ended 31 March 2017	Period ended 31 March 2016
Interest accrued on debentures issued		
Moser Baer India Limited	66,249,899	82,767,122
Sale of goods/Services to related party (net of sales return)		
Moser Baer India Limited	-	11,826,197
Moser Baer Solar Systems Private Limited	285,752,456	2,240,342
Helios Photo Voltaic Limited	32,583,116	94,598,925
Purchase of goods from related party		
Helios Photo Voltaic Limited	272,392,227	57,618,227
Value Solar Energy Private Limited	-	205,416,896
Moser Baer India Limited	10,771,000	14,295,600
Moser Baer Solar Systems Private Limited	24,567,395	-
Lease rent for building and utilities charged by related party (including finance lease)		
Moser Baer India Limited	453,180,000	566,475,000

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

Power and utility service charges debited by related party		
Moser Baer India Limited	106,512,197	62,889,946
Lease rental (utilities) charged to related party		
Moser Baer India Limited	374,363,099	524,010,073
Services rendered by related party		
Moser Baer India Limited	3,934	87,633
Expenses incurred/ payment made by related party on behalf of the company		
Moser Baer India Limited	279,349	21,005,634
Moserbaer Solar Holding Limited	-	2,731,818
Helios Photo Voltaic Limited	-	2,228,045
Moser Baer Solar Systems Private Limited	250,570	-
Expenses incurred/ payment made by the Company on behalf of Related party.		
Moser Baer India Limited	-	-
Helios Photo Voltaic Limited	-	-
Moser Baer Solar Systems Private Limited	1,082,603	119,955
Pride Solar Systems Private Limited	-	1,000
Admire Energy Solutions Private Limited	-	1,000
Moserbaer Photovoltaic Inc	-	-
Value Solar Energy Private Limited	-	1,371,081
Amount received by company on behalf of the related party		
Moser Baer Solar Systems Private Limited	-	1,008,472
Advance taken from related party		
Moser Baer Entertainment Limited	-	2,800,000
Loan taken from related party		
Microgreen Electronics Private Limited	-	6,000,000
Natia Conlutancy Private Limited	-	22,000,000
Millgreen Power Limited	-	10,000,000
Mr. Deepak Puri	-	1,000,000
Advance repaid to related party		
Moser Baer Entertainment Limited	-	2,800,000
Loan repaid to related party		
Microgreen Electronics Private Limited	-	27,000,000

Particulars	As at 31 March 2017	As at 31 March 2016
Outstanding payable		
In respect of services received		
Moser Baer India Limited	711,490,557	695,879,246
European Optic Media Technology Gmbh	29,930,606	32,578,530
OM&T B.V.	62,156,328	65,161,917
In respect of expenses		
Moser Baer Solar Systems Private Limited	250,570	2,247,838
In respect of lease rent/utility		
Moser Baer India Limited	3,516,840,139	3,040,667,982
Moser Baer Infrastructure and Developers Limited	14,989,170	14,989,170
In respect of purchase of goods		
Helios Photo Voltaic Limited	2,819,970,302	2,796,098,100
Value Solar Energy Private Limited	143,016,896	143,016,896
Moser Baer India Limited	110,510,153	111,121,234
Moser Baer Solar Systems Private Limited	24,567,395	-
In respect of Unsecured Debentures		
Moser Baer India Limited	500,000,000	500,000,000

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

In respect of interest		
Moser Baer India Limited	353,109,365	289,008,509
Moser Baer Investments Limited	89,418	89,418
In respect of loan taken		
Moser Baer Investments Limited	151,100,000	151,100,000
Microgreen Electronics Private Limited	76,900,000	76,900,000
Natia Conlutancy Private Limited	22,000,000	22,000,000
Millgreen Power Limited	10,000,000	10,000,000
Mr. Deepak Puri	1,000,000	1,000,000
In respect of advance received		
Moser Baer Solar Systems Private Limited	1,280,971	1,280,971
Helios Photo Voltaic Limited	405,332,699	405,332,699
In respect of finance lease		
Moser Baer India Limited	1,549,773,312	1,911,953,134
Outstanding receivable		
In respect of expenses		
Moser Baer Photovoltaic Inc	238,292	243,473
Pride Solar Systems Private Limited	165,574	165,574
Moser Baer Solar Systems Private Limited	1,083,446	843
Admire Energy Solutions Private Limited	51,124	51,124
Moser Baer India Limited	73,122,259	73,352,463
Value Solar Energy Private Limited	230,293,124	230,293,124
In respect of security deposit		
Moser Baer India Limited	1,305,000,000	1,335,000,000
In respect of sale/utility rent		
Moser Baer India Limited	2,220,418,211	1,847,926,948
Helios Photo Voltaic Limited	436,140,315	613,024,261
In respect of other advances		
Value Solar Energy Private Limited	76,906,595	76,906,595

(c) Other arrangements

(a) Corporate guarantee given by Moser Baer India Limited as collateral security for term loans and working capital facilities amounts to ₹ 10,500,300,000 (previous year ₹ 10,500,300,000). The outstanding amount as on 31 March 2017 is ₹ 9,918,148,216 (previous year ₹ 8,800,759,197).

MOSER BAER SOLAR LIMITED
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2017

(All amounts in rupees, unless otherwise stated)

43 Taxation

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

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

Particulars of timing differences	Movement during		
	As at 31 March 2017	the period	As at 31 March 2016
Deferred tax liability			
Difference in WDV of fixed assets as per books and Income	244,936,596	(301,935,030)	(56,998,433)
Total	244,936,596	(301,935,030)	(56,998,433)
Finance lease	116,176,237	3,902,554	120,078,791
Unabsorbed depreciation	128,760,359	(305,837,584)	(177,077,224)
	244,936,596	(301,935,030)	(56,998,433)
Net deferred tax liability/	-	-	-
Previous year	-	-	-

Notes:

- The tax impact for the above purpose has been arrived at by applying a tax rate of 33.99% (previous year 33.99%) being the prevailing tax rate for Indian Companies under the Income Tax Act, 1961.
- Deferred tax asset has been recognised only to the extent of the deferred tax liability.

44 (a) Default in repayment of loans and interest

- Default in repayment of loans and interest to banks and financial institutions

Name of Banks / Financial institutions	Nature of dues	Amount	Period to which it relates
Punjab National Bank	Principal	251,193,000	April 2016-March 2017
Punjab National Bank	Interest	35,426,171	April 2016-March 2017
Oriental Bank of Commerce	Principal	200,000,271	July 2014 -March 2017
Oriental Bank of Commerce	Interest	96,480,198	May 2014-March 2017
UCO Bank	Principal	458,396,000	October 2014-March 2017
UCO Bank	Interest	173,492,312	September 2014-March 2017
State Bank of Bikaner and Jaipur	Principal	514,892,000	July 2015-March 2017
State Bank of Bikaner and Jaipur	Interest	145,465,602	May 2015-March 2017
Canara Bank	Principal	119,400,000	October 2014-March 2017
Canara Bank	Interest	32,869,619	July 2015-March 2017
Union Bank of India	Principal	130,000,000	July 2014 -March 2017
Union Bank of India	Interest	56,307,439	May 2014-March 2017
International Finance Corporation	Principal	1,134,875,000	May 2012-March 2017
International Finance Corporation	Interest	202,486,252	May 2012-March 2017
State Bank of Bikaner and Jaipur	Principal	384,691,000	July 2015 -March 2017
State Bank of Bikaner and Jaipur	Interest	103,157,765	May 2015 -March 2017
UCO Bank	Principal	366,871,476	October 2014 -March 2017
UCO Bank	Interest	138,459,029	September 2014 -March 2017
Oriental Bank of Commerce	Principal	3,095,401,000	July 2014 -March 2017
Oriental Bank of Commerce	Interest	1,349,282,311	August 2014 -March 2017
UCO Bank	Principal	141,586,135	October 2014-March 2017
UCO Bank	Interest	42,395,468	September 2014-March 2017
UCO Bank	Principal	90,418,143	Oct 2014-March 2017
UCO Bank	Interest	27,180,564	Sep 2014-March 2017
Punjab National Bank	Principal	71,308,508	April 2016-March 2017
Punjab National Bank	Interest	10,101,511	Jan 2016-March 2017
Oriental Bank of Commerce	Principal	63,796,929	July 2014-March 2017
Oriental Bank of Commerce	Interest	15,198,746	April 2013-March 2017

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

Name of Banks / Financial institutions	Nature of dues	Amount	Period to which it relates
Oriental Bank of Commerce	Principal	847,465,528	July 2014-March 2017
Oriental Bank of Commerce	Interest	225,027,611	Jan 2014-March 2017
State Bank of Bikaner and Jaipur	Principal	156,768,944	July 2015-March 2017
State Bank of Bikaner and Jaipur	Interest	35,507,315	May 2015-March 2017
State Bank of Bikaner and Jaipur	Principal	94,949,047	July 2015-March 2017
State Bank of Bikaner and Jaipur	Interest	22,260,483	April 2015-March 2017
Union Bank of India	Principal	40,413,416	April 2015-March 2017
Union Bank of India	Interest	8,933,176	April 2013-March 2017
Canara Bank of India	Principal	37,702,833	October 2014 -March 2017
Canara Bank of India	Interest	9,697,350	Dec 2014-March 2017
UCO Bank	Interest	34,435,640	April 2014- March 2017
State Bank of Bikaner and Jaipur	Interest	44,080,486	April 2014- March 2017
State Bank of Bikaner and Jaipur	Principal	192,252,673	July 2015-March 2017
Oriental Bank of Commerce	Principal	2,055,995,917	July 2014-March 2017
UCO Bank	Principal	148,249,978	Oct 2014-March 2017

44(b) During the financial year ended 28 March 2013, Secured Lenders (Banks) had approved the restructuring package under “Corporate Debt Restructuring Package” (CDR) of the Company. The CDR was not fully implemented and the Company was unable to service the repayments/ payments of loan/ interest in accordance with CDR which resulted in the Company’s debt becoming non-performing assets with all the banks.

Consequently, the Monitoring Institution of the CDR made a recommendation to the CDR Empowered Group along with approval of majority secured lenders to seek exit of Company’s account from CDR and on 28 November 2016 CDR EG approved this exit. Subsequent to approval of exit by CDR EG, majority of lender banks have issued notices to the Company recalling their debt. Pursuant to exit from CDR, the Company has classified debt from non-current bank liabilities to current liabilities and derecognized the amounts recoverable from banks under CDR scheme with corresponding adjustments to the debt and interest expense. In the absence of any communication from these lenders bank, the Company has not been able to determine the impact of exit from CDR on the carrying value of debt and interest payable thereon.

45 EMCO Limited and the Company entered into a contract on 09 June 2011 for supply, civil construction, erection and commissioning and testing. The said contract was amended on two occasions on 18 October 2011 and 11 January 2012. Original contract price of ₹ 630,000,000 was reduced to ₹ 428,000,000 with further reduction to ₹ 335,500,000. The reduction in contract value as agreed is the sole and exclusive remedy available with EMCO for reduction in tariff. EMCO has disputed the outstanding dues with respect to services rendered/ goods supplied by the Company.

Based on the opinion of external legal counsel, the Management expects a favorable outcome from the proposed proceedings and considers the amount of ₹ 106,726,723 as recoverable.

MOSER BAER SOLAR LIMITED

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

(All amounts in rupees, unless otherwise stated)

- 46 Trade receivable from foreign customer of ₹ 126,379,175 (previous year ₹ 117,833,867) are outstanding for more than nine months. As per Master Circular No, 83/2015-16 on export of goods and services issued by the Reserve Bank of India (RBI) on 1 July, 2015, where the realisation from foreign customer is not made within nine months, the Company is required to approach the foreign exchange department's regional office of the Reserve Bank through their Authorised dealer category-I bank with a definite action plan for extension of realisation of export proceeds beyond nine months from the date of export. The Company is in the process of ensuring compliance with the relevant regulation of the Reserve Bank of India.
- 47 Import dues of ₹ 4,200,127,783 (previous year ₹ 59,610,978) are outstanding for more than six months. As per Master Circular No, 82/2015-16 on import of goods and services issued by the Reserve Bank of India (RBI) on 1 July, 2015, where the payment to foreign creditor is not made within six months, the Company is required to approach the foreign exchange department's regional office of the Reserve Bank through their Authorised dealer category-I bank with a definite action plan for extension of payment of import dues beyond six months from the date of import. The Company is in the process of ensuring compliance with the relevant regulation of the Reserve Bank of India.
- 48 The management has determined the value in use of its cash generating unit, ie photovoltaic business, using discounted cash flow approach. Management's determination of the value in use, supported by a business valuation performed by an independent valuer, is based on cash flow projections that have considered impact of certain significant assumptions, inter-alia, external market conditions of solar market, successful implementation of the CDR scheme, adaptability of the new technology. These assumptions are based on changes in market scenarios and favourable regulatory approvals, which are inherently uncertain. Based on the business valuation, the Company has concluded that no adjustments to the carrying values of underlying fixed assets aggregating to Rs. 3,186,808,636 is necessary to be made in the financial statements for the twelve months year ended 31 March 2017.
- 49 The Company has incurred a loss of ₹ 4,171,899,356 during the year ended 31 March 2017 (previous year ₹ 9,134,188,964), and, as of that date, the Company's accumulated losses amounts to ₹ 24,003,620,716 (previous year ₹ 19,831,721,360) and it has negative net worth of ₹ 14,178,616,675 (previous year ₹ 10,006,717,319). Further, as of 31 March 2017, the Company's current liabilities exceeded its current assets by ₹ 15,506,201,976 (previous year ₹ 7,626,919,128).

The Company initiated discussion with lender banks for second re-structuring and had submitted the proposal along with TEV report. The revised structure package will includes inter alia holding on operations, deferment of debt and interest repayment, realisation of capital subsidy under SIPs and infusion of fresh capital by the promoters. The management is hopeful of finalizing the restructuring package soon. Further, management is also expecting receipt of government grants (SIPS) within financial year 2016-17.

The Company has been operating its manufacturing facility at suboptimal level due to working capital constraints. With generation of funds through execution of proposed orders, promoter contribution, release of capital subsidy management expects improvement in operations and generation of positive cash flow from operating activities in near future.

These conditions indicate existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern due to which the Company may not be able to realise its assets and discharge its liability in the normal course of business. However, considering management plans around restructuring of secured debt, infusion of capital, receipts of government grants and expected improvement in the operating activities, these financial statements have been prepared on a going concern basis.

- 50 Under the Income Tax Act, 1961, for domestic Transfer Pricing transaction the Company is required to use specified methods for computing arm's length price in relation to domestic transactions with its associated enterprises. Further, Company is required to maintain prescribed information and documents in relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The management confirms that all transactions with associated enterprises are undertaken at negotiated contracted prices on usual commercial terms, and adjustments if any, arising from the transfer pricing study shall be accounted for as and when the study is completed. The Company is in the process of conducting a transfer pricing study for the current financial year, Based on the preliminary study for the current period however, management is of the view that the same would not have a material impact on the tax expenses provided for in these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.
- 51 Pursuant to approval of CDR exit by CDR- EG and loan recall notices received by the Helios Photo Voltaic Limited (HPVL) from majority of lender banks, the Company has made a further provision for diminution other than temporary diminution amounting to ₹ 6,964,701,176 during the current year towards the remaining value of long term investments made by the Company in equity and preference shares of HPVL.

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

52 The Company changed its financial period from fifteen month to twelve month and prepared accounts for twelve months, whereas previous year consisted of fifteen months period. Accordingly, current financial period figures are not comparable with those of the previous year.

53 Disclosure of cash transactions between 08 Nov 2016 and 31 December 2016:-

	SBNs	Other Denomination	Total
	Amount	Amount	Amount
Closing Balance as at 8 November 2016	55,000	14,759	69,759
Transactions between 9th November 2016 and 30th December 2016			
Add: Withdrawal from Bank accounts		120,000	120,000
Add: Receipts for permitted transactions		18,778	18,778
Add : Receipts for non-permitted transactions (if any)			
Less : Paid for permitted transactions		(135,168)	(135,168)
Less : Paid for non-permitted transactions (if any)			
Less: Deposited in bank accounts	(55,000)		(55,000)
Closing balance as at 30 December 2016	-	36,738	18,369

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

LLP
Chartered Accountants

Sd/-
per **Neeraj Goel**
Partner

Place: Gurgaon
Date:

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

Sd/-
Deepak Puri
Director
DIN 00002189

Sd/-
Nita Puri
Director
DIN 00002331

Sd/-
Suresh Kumar Gupta
Chief Financial Officer
M. No: 16729

Sd/-
Surender Kumar Mata
Company Secretary
M. No: ACS A7762