DIRECTORS' REPORT

Dear Shareholder,

Your Directors take pleasure in presenting their 27th Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended 31st March, 2010.

Financial Results

Particulars	(Rupees in Million)	
	Year ended March 31, 2010	Year ended March 31, 2009
Gross Sales, Service Income and Other Income	23403.1	23924.4
Profit before Depreciation, Interest and Tax but after prior period items	6260.4	4439.3
Depreciation / Amortization	4918.9	4971.40
Interest and Finance Charges	1868.3	2053.20
Profit before Exceptional Items and Tax	-526.8	-2585.3
Exceptional Gain	88.2	1001.3
Profit Before Tax	-438.6	-1584.0
Tax Expenses	-76.5	-75.3
Profit after Tax	-362.1	-1508.7
Profit carried forward from Last year	nil	260.1
Profit available for appropriation	-362.1	-1248.6
Appropriations:		
Dividend (Proposed)	100.9	101.1
Provision for Tax on Proposed Dividend	16.8	17.2
Transfer to General Reserve Account	-479.8	-1366.8

Operations

Revenues for Financial Year 2010 stood at INR 20,518 million, profit before depreciation, interest, exceptional items and tax stood at INR 6260.4 million. During the year, operating margins recovered significantly following improvement in market equilibrium and increase in growth especially in advanced formats. Interest costs reduced on account of lower average interest rate and repayment of debt.

Market Development

Market environment and outlook

Moser Baer continues to be the market leader in optical media both in terms of low cost mass manufacturing and our R&D capabilities. Our products are sold in over 90 countries and we have developed strong strategic alliances and partnerships with leading global OEMs.

With DVD-R slowly but steadily taking over CD-R volumes at retail and its significant growth in some of the emerging markets, it is poised to become the major format in optical media for 2010. CD-R continues to remain the key format in niche high end professional segment. Moreover, the momentum towards advanced media formats will intensify once prices of BluRay drive climbs down from their present levels. Moser Baer is continuously moving existing production lines to DVDs and advanced formats at low incremental costs, significantly raising our capacity to produce according to market demand.

We have received encouraging volume growth in blank optical media in emerging markets like China, India and Latin America and are constantly expanding into further geographies. Moser Baer is rigorously working with its OEM customers on technology transfers/ qualifications of its BluRay products, with a clear intent to take a leadership position in this format with strong cost advantages. Moser Baer's optical media production lines will continue to move existing production lines to advanced formats, significantly raising our capacity to produce media that support the emerging High Definition format.

Your directors are pleased to inform you that the overall OEM business is expected to remain stable with a clear upside coming from new business acquired during the year and growth in emerging formats.

Photo Voltaic Business

Moser Baer's photovoltaic business achieved key milestones during the year further strengthening our position in the global photovoltaic market. Global shipments reached approximately 50MW for the year. Significant traction was seen in both the showcase technologies of Moser Baer - Crystalline Silicon and Thin Film. We have now reached a total capacity of 140MW in both the technologies combined placing us as one of the largest PV players in India.

Moser Baer Photo Voltaic Ltd has been awarded the prestigious 5 Star Rating Certificate by TÜV Rheinland in recognition to the highest standards of Quality adopted in our business operations.

In addition, our process team has effectively achieved world's highest single junction thin-film module efficiency of 7.3% and an efficiency of 15.2% for Crystalline Silicon on the existing production lines with process re-engineering. Due to our strong efficiency improvements we have been able to de-bottleneck and successfully increase our production capacities to 90MW in crystalline silicon cell manufacturing and 50MW in Thin Film in our Greater Noida Plant.

With our strong technology and quality, aggressive sales and marketing initiatives, service levels and cost competitiveness, we are on the path of establishing ourselves as a preferred vendor with top tier integrators, distributors and EPC players in large PV markets and have successfully managed to distribute products in a total of 25 countries.

Within India, we have developed complete systems capability from concept to commissioning. The group has successfully commissioned the 'largest of its kind thin film project in India' - 1MW solar project in Chandrapur, Maharashtra. This solar farm is a significant landmark for the company as it not only demonstrates our strong EPC capabilities but also serves as an exemplary project providing Moser Baer the opportunity to play a pivotal role in India's ambitious National Solar Mission. The group is also in the process of executing the 5MW Tamil Nadu Project. With this, the company has gained the experience of executing large sized solar projects.

Home Entertainment Business

Moser Baer is today India's largest home entertainment player with rights to more than 10,000 titles and video content offerings in every popular language in India. We are a one-stop shop for home entertainment with pan India presence. We have a unique business model of high quality and large variety content, at reasonable prices for Indian consumer. With effect from March 31, 2010, the entertainment business has been hived off as a separate, wholly-owned, subsidiary - Moser Baer Entertainment Ltd.

Moser Baer is releasing video content in the DVD, VCD and Super DVD (DVD with the multiple films) formats using our proprietary and patented technology that ensures 'quality and affordable prices for the masses' and 'premium content and prices for the higher end of customers'. We have also begun releasing new films in Blu-Ray format, which is fast catching up attention of the high-end consumers in India.

During the financial year, we acquired the rights and released 30 new films in Hindi including successful films like 'Delhi 6', 'Kaminey', 'All the Best', 'Blue' and 'London Dreams', which have achieved over 100,000 unit sales. Moser Baer has also acquired the rights for over 50 films in Malayalam and other regional languages and achieved significant success in Malayalam with films 'Twenty-20', '2 Harihar Nagar', 'Bhagyadevata', 'Kaana Kanmani', 'Crazy Gopalan', 'Magante Achan' and 'Brahmaram'. In Tamil, Moser Baer achieved significant success with films like 'Yavarum Nalam', 'Subramaniapuram','Santosh Subramaniam' and 'Pasanga'. Buoyed by this success, Moser Baer is determined to continue the domination in new films in most key languages by acquiring more content. Moreover, our new pricing model for new films is enabling us to achieve better profitability and recovery in most languages.

The business has also produced and released films in Hindi, Tamil and Malayalam during the year. In Hindi, 'Sankat City' and 'Hide & Seek' were released during the year. Both have earned critical acclaim. In Tamil, Moser Baer produced and released 'Kanden Kadhalai' and 'Aval Peyar Tamilarasi' during the year. While the first one achieved both box office success and critical acclaim, the second one earned critical acclaim. In Malayalam, 'Kaana Kanmani' was produced and released, which was highly appreciated. A few more films are getting ready for release in Hindi and Tamil.

We have also introduced 'Direct to DVD' release - a new concept attempted in Hindi with Phir Khabi film, which is a first Direct to DVD film in Hindi cinema.

Moser Baer plans to continuously increase its market share in the Home Entertainment business through new initiatives and innovations to sustain and improve our performance in the year ahead.

Subsidiary Companies

The company has received an exemption from the Ministry of Corporate Affairs, Government of India, vide order No 47/240/2010-CL -III Dated 11/06/2010 under section 212(8) of the Companies Act, 1956 with regard to attaching the various documents in respect of the subsidiaries for the year 2009-10. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies.

The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information upon request of any member of the Company and its subsidiaries who may be interested in obtaining the same.

The annual accounts of the subsidiary companies will also be kept for inspection by any member of the company at its Registered Office and Corporate / Head Office located at 43B, Okhla Industrial Estate, Phase III, New Delhi - 110 020.

Dividend

Your Directors are pleased to recommend payment of a dividend of Re. 0.60 per share (6 %) for the year ended 31st March, 2010. The total cash outflow on account of Equity dividend payments, including distribution tax and surcharge, will be Rs. 117,755,786/-.

Directors

Mr. Rajesh Khanna, was co-opted as Additional Director at the meeting of the Board of Directors held on 31st March, 2010 to hold the office up to the date of the ensuing Annual General Meeting in terms of the provisions of Section 260 of the Companies Act, 1956. The Company has received a notice under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Rajesh Khanna as Director of the Company.

In terms of the provisions of Section 255 and 256 of the Companies Act, 1956, Mr. Vinayshil Gautam and Mr. Ratul Puri, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Auditors

M/s Price Waterhouse (FRN No. 007568S), Chartered Accountants, who are the Statutory Auditors of the Company, hold office, in accordance with the provisions of the Companies Act, 1956 (the Act), upto the conclusion of the forthcoming Annual General Meeting (AGM). They have not offered themselves for re-appointment as Auditors of the Company for the financial year 2010-11. Special notice has been received from a member proposing the appointment of M/s Price Waterhouse (FRN No. 012754N), Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of the forthcoming AGM until the conclusion of the next AGM, in place of M/s Price Waterhouse (FRN No. 007568S), the retiring Auditors of the Company.

M/s Price Waterhouse (FRN No. 012754N), Chartered Accountants, have expressed their willingness for appointment as the Statutory Auditors and confirmed that their appointment, if made, will be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956, and they are not disqualified for appointment within the meaning of Section 226 of the said Act.

Auditors' Report

The observations made in the Auditors' Report are self- explanatory and therefore, do not call for any further comments.

Stock Option Plan

Your Company had introduced a Stock Option Plan for its Non-Executive Directors i.e. Directors Stock Option Plan - 2005 ("DSOP-2005") and for its employees i.e. Employees Stock Option Plan-2004 ("ESOP-2004").

The Company has further introduced Stock option plan for its employees ("ESOP - 2009") by the resolution passed in the meeting of the Board of Directors held on the 30th July, 2009 and subsequently, approved by the shareholders of the company in their Annual General Meeting held on 8th day of September 2009. The plan came into force on 28th day of January 2010, being the date of first offer of ESOPs to the employees under ESOP Plan 2009.

The particulars of options issued under the said Plans as required by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are appended as 'Annexure A' and forms part of this report.

Foreign Currency Convertible Bonds (FCCB)

Your Company has issued the Foreign Currency Convertible Bonds in Tranche A being US$ 75 million and in Tranche B being US$ 75 million with tenure of five years.

RBI vide its letter RBI/2008-09/317 dated 8th December, 2008 liberalized the guidelines for the Buyback of the Foreign Currency Convertible Bonds and allowed the Indian Companies to complete the procedure of buy back of its FCCB till 31st March, 2009, without taking approval of the RBI. RBI vide its further Notification RBI/2008-09/411 dated 13th March, 2009 extended the said time limit till 31st December, 2009, under approval route. However, RBI further vide its notification RBI/2009-10/367 dated 29th March, 2010 extended the said time limit till 30th June, 2010. During the financial year ended 31st March, 2010, your Company bought back US$ 3.5 million of face value of Bonds of Tranche A and US$ 7.0 million of face value of Bonds of Tranche B at a discount to the face value. The consequent reduction in debt and reversal of redemption premium accrual from share premium account.

Particulars of employees

Particulars of employees, as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, form part of this report. However, in pursuance of Section 219(1)(b)(iv) of the Companies Act, 1956, this report is being sent to all shareholders of the Company, excluding the aforesaid information and the said particulars are made available at the Registered Office of the Company. The members interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Secretarial Audit

As directed by Securities and Exchange Board of India (SEBI), secretarial audit is being carried out at the specified periodicity by M/s. Deloitte Haskins and Sells, the Secretarial Auditors of the Company.

Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given as per Annexure 'B' and forms part of this Report.

Fixed deposits

During the year under review, your Company has not accepted any deposit under Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975.

Corporate governance

It has always been the Company's endeavour to excel through better Corporate Governance and fair and transparent practices, many of which have already been in place even before they were mandated by the law of the land. The Company complies with all the provisions of revised Clause 49 of the Listing Agreement. A separate report on Corporate Governance compliance is included as a part of the Annual Report along with the reports on Management Discussion and Analysis and Additional Shareholder Information.

The certificate from the Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with stock exchanges is annexed to this report.

The Group Chief Financial Officer (GCFO) and Chairman & Managing Director (CMD) have certified to the Board in regard to the financial statements and other matters as required in Clause 49 of the listing agreement and the said certificate is annexed to this report.

In compliance with the Corporate Governance requirements, the Company has formulated and implemented a Code of Conduct for all its Board members and for the senior management of the Company. The said Codes of Conduct have been posted on the Company's website. All Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year 2009-10. A declaration to this effect signed by the Managing Director of the Company forms part of this report.

Listing At Stock Exchanges

The Shares of the Company continue to be listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The annual listing fees for the year 2010-2011 have been paid to the Stock Exchanges.

Directors' Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, your Directors state:

a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2010 and its profit for the year ended on that date;

c) that we have taken proper and sufficient care for the 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 fraud and other irregularities.

d) that we have prepared the annual accounts on a going concern basis.

Conclusion

Your company continues to maintain its leadership position in its various businesses through value addition to its products and services.

Your Company has always focused on creating the new values to increase customer and stakeholder delight. Your Company has outperformed the industry in a challenging year and continues to maintain its leadership position. It has also been surpassing all international quality and cost benchmarks and continues to build shareholder's value. This, indeed, is how your Directors propose to drive the business endeavours, as we face the future with great optimism and confidence.

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from investors, customers, employees, business associates, bankers, vendors, as well as regulatory and government authorities.

For and on behalf of the Board of Directors

Moser Baer India Limited.

Sd/-

Deepak Puri

Chairman and Managing Director

Place : New Delhi

Date : 12th July, 2010

ANNEXURE- A

INFORMATION REGARDING EMPLOYEES STOCK OPTION PLAN, 2004 (ESOP-2004) DIRECTORS' STOCK OPTION PLAN, 2005 (DSOP-2005) AND EMPLOYEES STOCK OPTION PLAN, 2009 (ESOP-2009) (AS ON 31st MARCH, 2010)*

S.No.	Particulars	ESOP-2004	DSOP-2005	ESOP-2009
1	Number of Stock Options granted	6,429,650	800,000	2,535,810
2	Pricing Formula	(I) Normal allocation: Rs.125 per Option or prevailing Market Price, whichever is higher. (ii) Special allocation: 50% of the Options at Rs. 125 per Option or prevailing Market Price, whichever is higher and the balance 50% of the Options at Rs. 170 per Option or prevailing Market Price, whichever is higher.	Rs.170 per Option or prevailing Market Price, whichever is higher.	(I) Normal Allocation: Market price on the date of grant (ii) Special Allocation: 50% of the Options at Rs. 125 per Option or prevailing Market Price, whichever is higher and the balance 50% of the Options at Rs. 170 per Option or prevailing Market Price, whichever is higher.
3	Number of Options vested	705,585	400,000	0
4	Number of Options exercised	616,125	75,000	0
5	Number of shares arising as a result of exercise of option	616,125	75,000	0
6	Number of options cancelled/ lapsed	4,692,740	50,000	9,600
7	Variation of terms of options	The maximum number of equity shares that can be issued pursuant to the exercise of stock options granted under ESOP-2004 has been reduced.	The pricing formula has been revised.	N.A.
8	Money realized by exercise of options	Rs. 135,403,076	Rs. 17,122,500	0
9	Number of options in force	1,120,785	675,000	2,526,210
10	Employee-wise details of Options granted to: (a) Senior managerial personnel; and (b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Mr. Vijay Malhi - 36,000 Mr. Harsh Vardhan Govil - I 8,000 Mr. Pankaj Chandhok -8,000 Mr. Neeraj Bahl - 8,000 Mr. Shailender Godara -29,750 Mr. Naresh Kumar Bhasin -8,000 N.A.	N.A.	Mr. Deepak Shetty-24,000 Mr. Sanjeev Agarwal-24,000 Mr. Vijay Malhi-24,000* Mr. Surendra Singh Parmar-24,000 Mr. Sandeep Sood-24,000 Mr. Harsh Vardhan Govil-24,500* Mr. Pankaj Chandhok-30,850 (25,850* + 5000) Mr. Naresh Kumar Bhasin-23,750 N.A. *The Grant/s to these employees has been made under ESOP Plan 2009 against the equivalent no. of options surrendered under ESOP Plan 2004.
11	Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrant and Conversions) of the Company at the time of grant;	NIL		
12	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with AS 20	Rs. (2.15)		
13	Method of calculation of employee compensation cost	The Company has used intrinsic value method for calculating the employee compensation cost with respect to the stock options.		
14	Difference b/w the employee compensation cost so computed at serial number 13 above and the employee compensation cost that shall have been recognized if it had used the fair value of options	Rs. (16,586,107)		

15	The impact of this difference on profits & on EPS of the Company	Impact on profit- Rs. (16,586,107) Impact on EPS (Basic)- Rs. (2.25) Impact on EPS (Diluted)- Rs. (2.25)		
16	Weighted-average exercise prices and weighted-average fair values of options granted during the year	a. Weighted average Exercise Price - Rs. 127.20 b. Weighted average fair value of the options - Rs. 20.47	a. Weighted average Exercise Price - Rs. 170.00 b. Weighted average fair value of the options - Rs. 11.5	a. Weighted average Exercise Price- Rs. 79.63 b. Weighted average fair value of the Options- Rs. 54.22

The Weighted Average of Vesting Period in respect of the Options granted to the Directors under DSOP-2005 were as follows:-

	Grants	Weighted Average of Vesting Period
1st	Grant on 11th August, 2005	2.5 years
2nd	Grant on 12th December, 2006	2.5 years
3rd	Grant on 25th January, 2007	2.5 years
4th	Grant on 19th June, 2007	2.5 years
5th	Grant on 29th April, 2009	2.5 years

The Weighted Average of Vesting Period in respect of the Options granted to the employees under ESOP-2004 were as follows:-

	Grants	Weighted Average of Vesting Period
1st	Grant on 9th January 2004	3 years
2nd	Grant on 29th November 2004	2.5 years
3rd	Grant on 27th January 2005	2.5 years
4th	Grant on 24th June, 2005	2.5 years
5th	Grant on 17th August, 2005	2.5 years
6th	Grant on 27th October, 2005	2.5 years
7th	Grant on 24th January, 2006	2.5 years
8th	Grant on 26th April, 2006	2.5 years
9th	Grant on 7th June, 2006	2.5 years
10th	Grant on 27th October, 2006	2.5 years
11th	Grant on 24th January, 2007	2.5 years
12th	Grant on 30th April, 2007	2.5 years
13th	Grant on 11th July, 2007	2.5 years
14th	Grant on 25th October, 2007	2.5 years
15th	Grant on 30th January, 2008	2.5 years
16th	Grant on 17th April, 2008	2.5 years
17th	Grant on 29th April, 2008	2.5 years
18th	Grant on 30th July, 2008	2.5 years
19th	Grant on 22nd October, 2008	2.5 years
20th	Grant on 23rd October, 2008	2.5 years
21st	Grant on 30th January, 2009	2.5 years
22nd	Grant on 28th April, 2009	2.5 years
23rd	Grant on 29th July, 2009	2.5 years

The Weighted Average of Vesting Period in respect of the Options granted to the employees under ESOP-2009 were as follows:-

	Grants	Weighted Average of Vesting Period
1st	Grant on 28th January, 2010	2.15 years
2nd	Grant on 12th March, 2010	2.15 years

Fair value of options based on Black-Scholes' Enhanced Model i.e. Enhanced FASB 123 Model for ESOP-2004

Assumptions:-	Grant Date-09/01/2004 Options subsequently cancelled)	Grant Date-29/11/2004	Grant Date-27/01/2005	Grant Date-24/06/2005	Grant Date-17/08/2005	Grant Date-27/10/2005	Grant Date-24/01/2006
Risk-free interest rate	4.21% (for 6 years, source-Reuters as on 9th Jan 2004)	6.79% (for 4 years source-NSE/ Reuters as on 29th Nov 2004)	6.55% (for 5 years, source-NSE/ Reuters as on 27th Jan 2005)	6.67% (for 5 years, source-NSE/ Reuters as on 23rd Jun 2005)	6.74% (for 5 years, source-NSE/ Reuters as on 16th Aug 2005)	6.80% (for 5 years, source-NSE/ Reuters as on 27th Oct 2005)	6.77% (for 5 years, source-NSE/ Reuters as on 23rd Jan 2006)
Expected life	7 yrs.	7 yrs.	7 yrs.	7 yrs.	7 yrs.	7 yrs.	7 yrs
Expected Multiple	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x
Expected volatility	70.0% (based on 5 years stock data from NSE)	70.0% (based on 5 years stock data from NSE)	67.0% (based on 5 years stock data from NSE)	62.03% (based on 5 years stock data from NSE)	61.44% (based on 5 years stock data from NSE)	60.76% (based on 5 years stock data from NSE)	59.02% (based on 5 years stock data from NSE)
Expected Dividends	1.0% (based on the dividend history for past 3 financial years)	0.85% (based on simple average of the dividend history of past 4 financial years)	0.85% (based on simple average of the dividend history of past 4 financial years)	0.85% (based on simple average of the dividend history of past 4 financial years)	0.58% (Weighted average dividend yield for last 3 financial years)	0.58% (Weighted average dividend yield for last 3 financial years)	0.58% (Weighted average dividend yield for last 3 financial years)
Price of the underlying share in market at the time of option grant (in Rs.)	342.00	224.05	213.20	209.80	234.75	214.70	196.60

Grant Date-26/04/2006	Grant Date-07/06/2006	Grant Date-27/10/2006	Grant Date-24/01/2007	Grant Date-30/04/2007	Grant Date-11/07/07	Grant Date-25/10/07	Grant Date-30/01/08
6.96% (for 5 years, source-NSE/ Reuters as on 25th Apr 2006)	7.37% (for 4.56 years, source-NSE/ Reuters as on 6th June 2006)	7.54% (for 4.28 years, source-NSE/ Reuters as on 27th Oct 2006)	7.73% (for 4.28 years, source-NSE/ Reuters as on 23rd Jan 2007)	8.07% (for 4.25 years, source-NSE/ Reuters as on 27th April, 2007)	7.52% (for 4.26 years, source-NSE/ Reuters as on 10th July, 2007)	7.91% (for 4.31 years, source-NSE/ Reuters as on 24th Oct, 2007)	7.42% (for 4.28 years, source-NSE/ Reuters as on 29th January, 2008)
7 yrs	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs
1.25 x	1.25 x	1.25 x	1.25 x	1.25x	1.25x	1.25x	1.25x
57.30% (based on 5 years stock data from NSE)	56.84% (based on 5 years stock data from NSE)	54.66% (based on 5 years stock data from NSE)	55.03% (based on 5 years stock data from NSE)	56.14% (based on 5 years stock data from NSE)	56.19% (based on 5 years stock data from NSE)	59.98% (based on 5 years stock data from NSE)	59.70% (based on 5 years stock data from NSE)
0.58% (Weighted average dividend yield for last 3 financial years)	0.58% (Weighted average dividend yield for last 3 financial years)	0.46% (Weighted average dividend yield for last 3 financial years)	0.46% (Weighted average dividend yield for last 3 financial years)	0.46% (Weighted average dividend yield for last 3 financial years)	0.54% (Weighted average dividend yield for last 3 financial years)	0.54% (Weighted average dividend yield for last 3 financial years)	0.54% (Weighted average dividend yield for last 3 financial years)
229.40	201.10	238.80	315.30	342.50	491.90	301.10	221.95

Fair value of options based on Black-Scholes' Enhanced Model i.e. Enhanced FASB 123 Model for ESOP-2004

Assumptions:-	Grant Date-17/04/2008	Grant Date-29/04/2008	Grant Date-30/07/2008	Grant Date-22/10/2008	Grant Date-23/10/2008	Grant Date-30/01/2009	Grant Date-28/04/2009	Grant Date-29/07/2009
Risk-free interest rate	7.93% (for 4.26 years, source- NSE/ Reuters as on 17th April 2008)	7.96 % (for 4.27 years, source-NSE/ Reuters as on 29th Apr 2008)	9.28% (for 4.57 years, source-NSE/ Reuters as on 30th July 2008)	7.44% (for 4.57 years, source-NSE/ Reuters as on 22nd October 2008)	7.41% (for 5 years, source-NSE/ Reuters as on 22nd October, 2008)	6.17% (for 5.08 years, source-NSE/ Reuters as on 29th January, 2009)	5.95% (for 4.98 years, source-NSE/ Reuters as on 27th April, 2009)	6.32% (for 4.71 years, source-NSE/ Reuters as on 28th July, 2009)
Expected life	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs
Expected Multiple	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x
Expected volatility	60.79% (based on 5 years stock data from NSE)	60.92 % (based on 5 years stock data from NSE)	61.97% (based on 5 years stock data from NSE)	63.41% (based on 5 years stock data from NSE)	63.45% (based on 5 years stock data from NSE)	57.59% (based on 5 years stock data from NSE)	57.62% (based on 5 years stock data from NSE)	58.71% (based on 5 years stock data from NSE)
Expected Dividends	0.54% (based on weighted average dividend history for past 3 financial years)	0.54% (based on weighted average dividend history for past 3 financial years)	0.44% (based on weighted average of the dividend history of past 3 financial year)	0.44% (based on weighted average of the dividend history of past 3 financial year)	0.44% (based on weighted average dividend yield for last 3 financial years)	0.44% (based on weighted average dividend yield for last 3 financial years)	0.44% (based on weighted average dividend yield for last 3 financial years)	0.44% (based on weighted average dividend yield for last 3 financial years)
Price of the underlying share in market at the time of option grant (in Rs.)	170	176.55	95.10	100.25	94.95	62.45	67.15	84.95

Fair value of options based on Black-Scholes' Enhanced Model i.e. Enhanced FASB 123 Model for DSOP-2005

Assumptions	Grant Date-11/08/2005	Grant Date -12/12/2006	Grant Date -25/01/2007	Grant Date- 19/06/2007	Grant Date- 29/04/2009
Risk-free interest rate	6.56% (for 5 years, source-NSE/ Reuters as on 11th Aug, 2005)	7.56% (for 4.58 years, source -NSE/ Reuters as on 12th Dec, 2006)	7.68% (for 4.58 years, source -NSE/ Reuters as on 25th Jan, 2007)	7.87% (for 4.32 years, source NSE/Reuters as on 19th June, 2007)	6.11% (for 5.68 years, source NSE/Reuters as on 29th April, 2009)
Expected life	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs
Expected Multiple	1.25 x	1.25 x	1.25 x	1.25x	1.25x
Expected volatility	61.46% (based on 5 years stock data from NSE)	54.73% (based on 5 years stock data from NSE)	55.03% (based on 5 years stock data from NSE)	56.20% (based on 5 years stock data from NSE)	57.63% (based on 5 years stock data from NSE)
Expected dividends	0.58% (Weighted average dividend yield for last 3 financial years)	0.46% (Weighted average dividend yield for last 3 financial years)	0.46% (Weighted average dividend yield for last 3 financial years)	0.54% (Weighted average dividend yield for last 3 financial years)	0.44% (Weighted average dividend yield for last 3 financial years)
Price of the underlying share in market at the time of option grant (in Rs.)	228.30	242.60	319.25	425.25	65.30

* Two Options granted before the record date i.e 18th July, 2007 under the above plans entitles the holder to three Options of the Company.

Fair value of options based on Black-Scholes' Options Pricing Formula for ESOP-2009

Assumptions	Grant Date-28/01/2010	Grant Date -12/03/2010
Risk-free interest rate	7.39% (for 5 years, source- NSE/ Reuters as on 27th Jan 2010)	7.44% (for 5 years source-NSE/ Reuters as on 12th March 2010)
Expected life	7 yrs	7 yrs
Expected Multiple	1.25 x	1.25 x
Expected volatility	71.52% (based on 5 years stock data from NSE)	72.19% (based on 5 years stock data from NSE)
Expected dividends	0.97% (Weighted average dividend yield for last 5 financial years)	0.97% (Weighted average dividend yield for last 5 financial years)
Price of the underlying share in market at the time of option grant (in Rs.)	71.11	73.86

ANNEXURE B

Information as per Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2010.

A. Conservation of energy

Your Company's energy requirements continued to increase significantly as it commissioned new manufacturing facilities and increased production at existing facilities. As an ongoing process, the Company undertakes various measures to save energy and reduce its consumption. During the Financial Year 2009-10, some of the measures undertaken by the Company include:-

Through internal development and efforts on energy saving, we could achieve a cumulative saving of 28.63 KW with an additional investment of Rs 125 million. This was mainly achieved by increasing process & chilled water header temperatures, modifying the JB DCN chiller & condenser pump, optimization / reduction of lighting and by usage of steam in HFO Heating.

B. Technology absorption, adaptation and innovation, research & development

Technology Absorption, Adaptation and Innovation

Since technology plays a big role in our ability to offer a complete basket of products to our customers, our company has entered into various agreements at both national and international level with leading research and academic institutes and leading technology companies globally. During the year, a number of agreements were completed to co-develop technology with these partners whose R&D efforts are complementary to that of our focus R & D programmes. This technology has been successfully incorporated into some of the company's products and an ongoing effort is being made to improve the utilization of this technology and produce newer innovative products based on this technology development.

The Group CTO function was further strengthened by hiring doubly qualified talent - PhD's, M.Tech.'s to conduct research and development projects in next generation optical media, photovoltaic, consumer electronics products and other areas that maximize Moser Baer's core competencies in order to ensure competitiveness and future growth.

The company through its R & D lab and newly established subsidiary Moser Baer Technologies, Inc.,US have been the beneficiary of significant research grants in support of its R & D activities.

Our Company is a part of many international forums and R&D initiatives that are dedicated to the development of future formats like Blu-Ray. Such participative activities have significantly enhanced the image of our company globally.

The company continued to develop BDR/RE format and successfully assimilated this technology from OM&T. Development of BDR1X-6X format was completed. This format is fully verified and achieved 100 % Drive compatibility.

Your Company has been identified by some R&D institutes for collaboration and is also in the process of approaching government funding agencies through it's own innovative R&D projects.

As a result of above efforts, your Company benefited by BDR / BDRE cost reduction due to mass production at GN plant.

Technology imported by your Company during last 5 years is given as under :

Technology imported	Year of import	Has Technology been fully absorbed?	If not fully absorbed, area where this has not taken place, reasons there for and future plans of actions
Technology for Hard Coat optical disk from Imation Technologies	2005	Yes	NA
Technology for DVDR 16 X from MKM	2004	Yes	NA
Technology for Light scribe disk from Hewlett Packard	2004	Yes	NA
Technology for Dual Layer DVD+R 8X (Inverse stack) process from Ricoh.	2006	Yes	NA
Technology for Dual Layer DVD+/- R(2P) from MKM	2007	Yes	NA
Technology for BDR from OMT	2008	Yes	NA

Research and Development

The specific areas in which Research & Development was carried out by your Company and the benefits derived as a result thereof are as follows:

1) Blu-Ray Development -

   Your company continued to develop BDR/RE format and successfully assimilated this technology from OM&T.

   a. Development of BDR1X-6X format completed - this establishes Moser Baer as leading technology player in this format. This format is fully verified by major customers and achieved 100 % Drive compatibility.

   b. The development of the next generation high speed BDR 1X-8X media format and BDR dual layer technology has been undertaken.

2) BDR/RE, DVDR / RW, DL, CDRW format

   Your Company successfully developed and launched BDRE2x, BDR 1x-6x MBI MID "White Thermal Surface", MBI 8X DVD+R DL WIJ, DVD+R,6x and CDRW and DVD + RW ,X. The Company has been qualified by major OEM customers.

3) Printable Surface

   a. Promoted and commercialized the new uniform printable surface product across the globe for many OEM and Non-OEM customers.

   b. MBI developed a unique stick free Ink jet printable surface. This media is highly useful for high end duplication market and would provide MBI a niche in this market segment.

   c. Successfully developed thermal and ink jet printable BD-R. This places Moser Baer among a select group and a distinguished category of suppliers of such media.

   d. MBI developed a DVD-R with superior light fastness properties suitable for outdoor application

4) Extension of Asset Life:

   a. Line Inter-changeability

      - Successfully converting DVD-RW lines to BDR/RE lines with in-house design & development.
      - Successfully converted CDR lines to DVDR lines with reduced CAPEX.

   b. New product segment

      - Launched a development program to manufacture a critical sub component of photovoltaic module using the existing moulding capabilities.
      - Launched 2 state-of-the-art R & D program to develop function materials using existing capabilities like spin coating and sputtering which can be potentially used in development of next generation solar cells for off-grid market segment.

5) Progress in collaborative projects at IIT Delhi and IT BHU (supported by Ministry of Information Technology)

   a. IIT Delhi Project "Development of multilayer coatings for high density optical storage discs" :
      Also working on:

   b. Higher storage capacity through the development of low to high Blu-Ray disc format.

   c. Development of new high speed BDRE format.

   d. Study of impact of Nitrogen doping on over write capability & archival life of metallic phase change layer.

   e. Alternative permutations on multi layer stack design

   f. IT BHU Project "Development of optically active polymers for data storage applications"

   g. PC/PMMA blends with different compatibilizers using reactive extrusion techniques to improve miscibility characteristics and mechanical, thermal, optical and morphological properties.

6) New Equipment added in R & D Lab:

   a. UV Ozone cleaner for glass substrate cleaning

   b. Eta-IXY for thickness measurement

   c. Spin coater for OPV cell R&D

   d. Desktop Glove Box for controlled atmosphere. It is used for OPV R&D

e. X-Y controlled glue dispenser

f. Ultra Sonic Bath for substrates cleaning

g. Selenization System for CIGS R&D

h. Angstrom Spectro photometer for measurement of transmittance, reflectance & thickness measurement

I. Millipore DI water system

7) Mastering & Galvanics: Process Improvement & New Format Development

a. BDR 1X-6X in-house stamper development.

b. Developed an environment friendly laquer to coat the surface of stampers. Its patent application under process.

Benefits derived as a result of the above R & D:

a. BluRay disc is the next generation optical disc format being developed for high-definition video and high-capacity software applications. A single-layer Blu- Ray disc will store up to 25 gigabytes of data and a double-layer Blu-Ray disc up to 50 gigabytes of data. BluRay discs offer 1920x1080p HD master quality for High Definition audio and video applications

b. Development of a thermal ink combination for BDR/BDRE is a step towards low cost.

c. Design & development of BDR/RE lines from conversion of DVDRW lines with in-house effort and modification of a CDR line into DVDR line and reduce CAPEX cost for BDR/RE & DVDR significantly.

d. IIT Delhi Project: Development of multilayer coatings for high density optical storage discs and IT BHU Project

e. Development of optically active polymers for data storage applications are steps towards cost reduction and performance improvement of optical media products through collaborative research with leading academic institutions.

Future Plan of Action:

a. To develop higher capacity and faster retrievable disks.

b. Continue rationalisation of input cost elements.

Expenditure on R&D

Capital expenditure of Rs. 61.87 million and recurring expenses of Rs. 17.37 million were incurred during the year towards R&D expenses, which is 0.4% of the total turnover of the Company.

These expenses are part of expenses incurred under various revenue or capital heads.

C. Foreign exchange earnings and outgo

Total foreign exchange earned comprising of FOB value of exports, interest, insurance claims and dividend received was Rs 13,055.7 million, where as total foreign exchange used (comprising of CIF value of imports, dividend and other outgoings) was Rs 8,595.2 million.

For and on behalf of the Board of Directors
Moser Baer India Limited

Sd/-
Deepak Puri
Chairman and Managing Director

Place : New Delhi
Date : 12th July, 2010

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

A well defined and enforced Corporate Governance provides a structure that works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as to formal laws.

Good Corporate Governance evolves with growth and changing circumstances of a company and must be tailored to meet those circumstances. Corporate Governance is about commitment to values and about ethical business conduct. This is what a company includes in its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an important part of Corporate Governance. This improves public understanding of the structure, activities and policies of the organization. Consequently, the organization is able to attract investors, and enhance the trust and confidence of its stakeholders. Corporate Governance guidelines and best practices have evolved over a period of time and in India, are enshrined in Clause 49 of the Listing Agreement.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the system by which companies are directed and managed. Good Corporate Governance structures encourage companies to create value (through entrepreneurism, innovation, development and exploration) and provide accountability and control systems commensurate with the risks involved.

Moser Baer believes in ensuring true Corporate Governance Practices to enhance long term shareholders' value through corporate performance, transparency, integrity and accountability.

The Corporate Governance philosophy of our Company is based on the following principles:

- Satisfaction of the spirit of the law through ethical business conduct;
- Transparency and a high degree of disclosure levels;
- Truthful communication about how the company is run internally;
- A simple and transparent corporate structure driven solely by the business needs;
- Strict compliance with Clause 49 of the Listing Agreement as amended from time to time;
- Establishment of an efficient corporate structure for the management of the Company's affairs;
- Management is the trustee of the shareholders' capital and not the owner.

The Company has also evolved the Code of Corporate Governance to ensure the best practices of Corporate Governance within the Company.

2. BOARD OF DIRECTORS

Moser Baer believes that at the core of its Corporate Governance practice is the Board, which oversees how the management serves and protects the long-term interests of all the stakeholders of the company. An active, well-informed and independent board is necessary to ensure the highest standards of Corporate Governance. Our Board exercises its fiduciary responsibilities in the widest sense of the term.

Moser Baer believes that composition of Board is conducive for making decisions expediently, with the benefit of a variety of perspectives and skills, and in the best interests of the company as a whole rather than of individual shareholders or interest groups.

The present strength of the Board is 12. The Board comprises of three Executive Directors and nine Non-Executive Directors. Seven Non-Executive Directors of the Company are independent. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions.

Independence of the Board is critical for ensuring that the Board fulfils its oversight role objectively and holds the management accountable to the shareholders. Moser Baer believes in appropriate mix of executive and independent directors on the Board to maintain Independence on the Board and separate management functions from it.

An independent director is independent of management and free of any business or other relationship that could materially interfere or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.

<u>Definition of 'Independent Director' as per Clause 49 of the Listing Agreement</u>

'Independent Director' shall mean a Non-Executive Director of the Company who apart from receiving Director's remuneration, does not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the Director;

- is not related to promoters or persons occupying management positions at the Board level or at one level below the Board;
- has not been an executive of the company in the immediately preceding three financial years;
- is not a partner or an executive or was not partner or an executive during the preceding three years, of any of the following:
  - the statutory audit firm or the internal audit firm that is associated with the company, and
  - the legal firm(s) and consulting firm(s) that have a material association with the company.
- is not a material supplier, service provider or customer or a lessor or lessee of the company, which may affect independence of the director;
- is not a substantial shareholder of the company i.e. owning two percent or more of the block of voting shares.
- is not less than 21 years of age.

COMPOSITION OF BOARD

Directors	Category	Equity Investors represented	Number of Equity Shares and Warrants held by the non-executive Directors
Mr. Deepak Puri	Promoter and Executive	N.A.	N.A.
Mr. Arun Bharat Ram	Independent and Non-Executive	N.A.	37, 500 equity shares
Mrs. Nita Puri	Promoter and Executive	N.A.	N.A.
Mr. John Levack	Non-Executive and Nominee	Electra Partners Mauritius Ltd.	Nil
Mr. Rajesh Khanna*	Additional Director Independent and Non-Executive	N. A.	Nil
Mr. Prakash Karnik	Independent and Non-Executive	N.A.	Nil
Mr. Bernard Gallus	Independent and Non-Executive	N.A.	Nil
Mr. Ratul Puri	Promoter and Executive	N.A.	N.A.
Mr. V.N Koura	Independent and Non-Executive	N.A.	Nil
Dr. Vinayshil Gautam	Independent and Non-Executive	N.A.	Nil
Mr. Viraj Sawhney	Non-Executive and Nominee	Bloom Investments Limited (BIL), Ealing Investments Limited (EIL), Randall Investments Limited (RIL) and Woodgreen Investment Ltd (WIL). BIL, EIL, RIL and WIL are affiliates of Warburg Pincus LLC.	Nil
Mr. Frank E. Dangeard	Independent and Non-Executive	N.A.	Nil

* Mr. Rajesh Khanna was co-opted as Additional Director on the Board at the Board Meeting held on March 31, 2010

DIRECTORSHIP IN OTHER COMPANIES AND BOARD COMMITTEES:

During the year under review, none of the Directors of the Board served as a member of more than 10 Committees or as Chairman of more than 5 Committees excluding the memberships in private limited companies, foreign companies and companies incorporated under Section 25 of the Companies Act, 1956, as per the requirements of the Listing Agreement.

Name of Director	No. of other Directorships in Public Companies Including Private Companies which is a subsidiary of Public Company (excluding Foreign Companies and Private Limited Companies)	No. of Committee membership (only Audit and Investor Grievance Committees) (Including MBIL's Committees)	
		Chairman	Member
Mr. Deepak Puri	14	5	1
Mr. Arun Bharat Ram	10	0	4
Mrs. Nita Puri	14	0	6
Mr. John Levack	1	1	0
Mr. Rajesh Khanna*	1	0	0
Mr. Prakash Karnik	0	0	2
Mr. Bernard Gallus	2	0	2
Mr. Ratul Puri	14	0	5
Mr. V. N Koura	3	1	0
Dr. Vinashil Gautam	4	0	1
Mr. Viraj Shawney	0	0	2
Mr. Frank E. Dangeard	0	0	3

* Mr. Rajesh Khanna was co-opted as Additional Director on the Board at the Board Meeting held on March 31, 2010

The information as required under Annexure I-A to Clause 49 of the Listing Agreement is made available to the Board. Adequate information is circulated as part of the agenda papers to enable the Board to take informed decisions.

The Company holds at least five Board meetings in a year, one in each quarter to review the quarterly financial results and one to review the audited annual results of the Company.

The Board met 10 times on the following dates during the financial year 2009-2010 and the gap between two meetings did not exceed four months:

(i) 1st April, 2009

(ii) 29th April, 2009

(iii) 8th July, 2009

(iv) 30th July, 2009

(v) 30th October, 2009

(vi) 11th January, 2010

(vii) 29th January, 2010*

(viii) 29th January, 2010*

(ix) 18th March, 2010

(x) 31st March, 2010

* On 29th January, 2010, two Board meetings were held.

ATTENDANCE RECORD OF DIRECTORS

Directors	Board meetings held during the year	Meetings Attended		Attended last AGM held on Tuesday, 8th September, 2009
		Present in person	Attended through Audio conferencing	
Mr. Deepak Puri	10	8	0	Yes
Mrs. Nita Puri	10	8	0	No
Mr. Prakash Karnik	10	7	2	No
Mr. John Levack	10	6	4	No
Mr. Bernard Gallus	10	5	2	No
Mr. Ratul Puri	10	10	0	No
Mr. Arun Bharat Ram	10	4	1	No
Mr. V.N Koura	10	6	3	Yes
Dr. Vinayshil Gautam	10	9	0	No
Mr. Rajesh Khanna*	10	4	1	No
Mr. Viraj Shawney	10	6	3	No
Mr. Frank E. Dangeard	10	6	2	No

* Mr. Rajesh Khanna was co-opted as Additional Director on the Board at the Board Meeting held on March 31, 2010

3. BOARD COMMITTEES

Your Company has the following Board Committees: Audit Committee, Compensation Committee, Investors' Grievance Committee, Corporate Governance Committee, Capex Committee, Banking and Finance Committee, Project Dezire Committee and Corporate Social Responsibility Committee and the guidelines for these Board Committees are set out below.

The Board is responsible for constituting, assigning, co-opting and fixing terms of service for the Committee Members of various Committees and delegates these powers to the Committees. Recommendations of the Committees are submitted to the Board of Directors for approval.

The frequency and agenda of meetings of each of these Committees is determined by the Chairman of the Board/ Executive Director in consultation with the Chairman of the concerned Committee. These Committees meet as and when the need arises.

A. AUDIT COMMITTEE

Besides, the regulatory requirement for constituting an Audit Committee, the existence of an independent Audit Committee is recognized internationally as an important feature of good Corporate Governance.

The ability of the Audit Committee to exercise independent judgment is crucial for judging the integrity of financial statements of the Company.

The Company has a qualified and independent Audit Committee, with Mr. V.N. Koura as the Chairman. Other members of the Committee are Mr. Prakash Karnik, Mr. Viraj Sawhney and Mr. Bernard Gallus. The Company Secretary acts as the Secretary of the Committee. Mr. Ratul Puri and Mr. John Levack are the permanent invitees to the meetings of this Committee.

Primary Objective

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

The Audit Committee has the power to do the following:-

a) To investigate any activity within its terms of reference.

b) To seek information from any employee.

c) To obtain outside legal or other professional advice.

d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of the Committee

The role of the Audit Committee has always been updated to comply with the amendments brought in by SEBI in listing agreements. Thus, the role of the Committee is:

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fee.

c) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

d) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Qualifications in draft audit report.

e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

f) Reviewing, with the management, performance of Statutory and Internal Auditors and adequacy of the internal control systems.

g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

h) Discussing with internal auditors any significant findings and follow up thereon.

i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

j) Discussing with the Statutory Auditors before the audit commences about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.

k) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

l) To review the functioning of the Whistle Blower mechanism, in case the same exists.

m) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

n) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

The Audit Committee also have following powers w.r.t. the Moser Baer SEZ Developer Limited and Moser Baer Entertainment Limited, the wholly owned subsidiaries of the Company:-

i) To discuss with the auditors periodically about the internal control systems, the scope of audit including the observations of auditors

ii) To review the half yearly and annual financial statements before submission to the Board of Moser Baer SEZ Developers Limited and quarterly and annual financial statements of Moser Baer Entertainment Limited

iii) To ensure compliance of Internal control systems

iv) To investigate into any matters specified above

v) To appoint the Internal Auditor of Moser Baer SEZ Developer Limited and Moser Baer Entertainment Limited, if any

vi) Reviewing with the management the statement of uses/ application of funds during a Financial Year of Moser Baer Entertainment Limited

vii) Reviewing the internal audit findings and internal Audit Plan of Moser Baer SEZ Developer Limited and Moser Baer Entertainment Limited, if any

The Audit Committee has been authorized to mandatorily review the following information:

a) Management discussion and analysis of financial condition and results of operations.

b) Statement of significant related party transactions, submitted by management.

c) Management letters / letters of internal control weaknesses issued by the Statutory Auditors.

d) Internal audit reports relating to internal control weaknesses.

e) The appointment, removal and terms of remuneration of the Chief Internal Auditor.

Meetings

During the year, the Committee met five times on the following dates:

(i) 28th April, 2009

(ii) 8th July, 2009

(iii) 29th July, 2009

(iv) 29th October, 2009

(v) 29th January, 2010

The gap between two meetings did not exceed four months.

Following are the attendance details of the members at the Committee meetings:-

Members	Committee Meetings held during the year	Meetings attended
Mr. V.N. Koura (Chairman)	5	5
Mr. Prakash Karnik	5	5
Mr. Viraj Sawhney	5	4
Mr. Bernard Gallus	5	4

B. COMPENSATION COMMITTEE

Moser Baer believes that independent determination of the remuneration policy of the Executive Directors of the Company is a fundamental for ensuring the transparency and hence, the Corporate Governance practices of the Company. The interests of shareholders and the market are best served through a transparent and readily understandable framework for executive compensation and its costs and benefits. Transparency as to the remuneration policy should be complemented by full and effective disclosure, in keeping with the spirit and intent of the Companies Act 1956, and Clause 49 of Listing agreement.

Composition

Mr. Prakash Karnik is the Chairman of the Committee. Other members of the Committee are Mr. John Levack, Mr. Bernard Gallus, Mr. Viraj Sawhney and Mr. V.N Koura. The Company Secretary acts as the Secretary of the Committee.

Terms of reference

a) The Compensation Committee discharges the Board's responsibilities relating to compensation of the Company's Executive Directors.

b) The Compensation Committee has the overall responsibility for approving and evaluating the Executive Directors' compensation plans, policies and programmes of the Company.

c) The Compensation Committee administers the Employees Stock Option Plans (ESOP) and the Directors' Stock Option Plan (DSOP) of the Company.

Responsibilities and authorities of the Compensation Committee

a) The Compensation Committee shall review and approve for the Executive Directors of the Company:-

- The annual base salary,
- Annual incentive bonus, if any,
- Any other benefits, compensation or arrangements.

b) The Compensation Committee shall evaluate, and if necessary, amend performance parameters of the Executive Directors;

c) The Compensation Committee may make recommendations to the Board in relation to incentive plans for the Executive Directors; and

d) Administer the ESOP and DSOP schemes of the Company.

Meetings

During the year, the Committee met six times on the following dates:

(i) 28th April, 2009

(ii) 8th July, 2009

(iii) 29th July, 2009

(iv) 29th October, 2009

(v) 28th January, 2010

(vi) 12th March, 2010

Following are the details regarding the Committee meetings attended by the members:-

Members	Committee Meetings held during the year	Meetings attended
Mr. Prakash Karnik (Chairman)	6	6
Mr. Viraj Sawhney	6	5
Mr. John Levack	6	6
Mr. Bernard Gallus	6	5
Mr. V.N Koura	6	3

REMUNERATION POLICY

a) Executive Directors

The details of the remuneration paid and payable to Mr. Deepak Puri (Managing Director), Mrs. Nita Puri (Whole Time Director) and Mr. Ratul Puri (Executive Director) during the year 2009-2010 are as follows:

(Amount In Rs.)

Particulars	Mr. Deepak Puri, Managing Director	Mrs. Nita Puri, Whole Time Director	Mr. Ratul Puri, Executive Director
Salaries, allowances and bonus	22,156,244	4,615,176	13,241,960
PF Contribution	1,698,756	439,824	1,013,040
Perquisites	145,000	145,000	145,000
TOTAL	**24,000,000**	**5,200,000**	**14,400,000**

Service Contracts, Notice Period, Severance Fees

a) Executive Directors

Mr. Deepak Puri (Managing Director); Mrs. Nita Puri (Whole Time Director) and Mr. Ratul Puri (Executive Director)

The Company has executed a Service Contract each with Mr. Deepak Puri, Managing Director, Mrs. Nita Puri, Whole Time Director and Mr. Ratul Puri, Executive Director whereby each of them have been appointed for a period of five years with effect from 1st September, 2006, 1st December, 2006 and 1st October, 2006, respectively. Each of them is entitled to resign from his/her office at any time upon giving to the Company at least three calendar months' written notice. No severance fees shall be payable to either of them.

The amount of performance bonus paid to the Managing Director, Whole Time Director and the Executive Director is based on the performance of the Company and of these Directors, as approved by the Compensation Committee and considered by the Board.

b) Non-Executive Directors

The Company does not have any pecuniary relationship with any of its non-executive Directors except in so far mentioned hereinafter:

STOCK OPTIONS

Initially, the shareholders of the Company had passed a resolution to offer the stock options to the Non-Executive Directors of the company to the maximum of 4,50,000 Equity Shares and thereafter the shareholders further passed a resolution and the maximum limit increased to 10,00,000 Equity Shares. Under the terms of approved Directors' Stock Option Plan (DSOP), each Non-Executive Director is entitled to receive up to a maximum of 1,00,000 stock options.

Status of Stock Options accepted under the above mentioned plan is as follows:

Name of Directors	No. of stock options granted	
	Original	Bonus options
Mr. Arun Bharat Ram	1,00,000	50,000
Mr. Prakash Karnik	1,00,000	50,000
Mr. John Levack	1,00,000	50,000
Mr. Bernard Gallus	1,00,000	50,000
Mr. V.N Koura	1,00,000	50,000
Dr. Vinayshil Gautam	1,00,000	50,000
Mr. Frank E. Dangeard	1,00,000	-

The Stock options are not granted to Executive Directors of the Company.

COMMISSION

The Shareholders of the Company by way of postal ballot approved the commission of 1% of the Net Profits of the Company for the year calculated as per the provisions of the Companies Act, 1956, payable to the non-executive Directors without obtaining the prior approval of the Central Government.

Accordingly, no commission was paid to the non executive Directors for the Financial Year 2009-10.

SITTING FEES

During the year 2009-10, the non-executive Directors were paid a sitting fees of Rs.20,000 for each Board

Meeting and Rs. 10,000 for each Committee meeting attended by them.

Service Contracts, Notice Period, Severance Fees

Mr. Arun Bharat Ram, Mr. Bernard Gallus, Mr. Prakash Karnik, Mr. V.N Koura, Dr. Vinayshil Gautam and Mr. Frank E. Dangeard are the Directors liable to retire by rotation. No severance fees will become payable to them if they desire not to continue as Directors of the Company.

Mr. John Levack (non-rotational nominee Director and representative of Electra Partners Mauritius Ltd.) - No severance fees will become payable to him if Electra Partners Mauritius Ltd. withdraws his nomination from the Directorship of the Company.

Mr. Viraj Sawhney (non-rotational nominee Director and representative of BIL, EIL, RIL and WIL - affiliates of Warburg Pincus LLC) - No severance fees will become payable to him if BIL, EIL, RIL and WIL withdraw his nomination from the Directorship of the Company.

Mr. Rajesh Khanna, Additional Director, hold office only upto the date of ensuing Annual General Meeting. A notice has been received in terms of the provisions of Section 257 of the Companies Act, 1956 proposing his candidature as a Director of the company. No severance fees will become payable to him if he is not appointed as Director of the Company.

C. INVESTORS' GRIEVANCE COMMITTEE

Composition

Mr. John Levack is the Chairman of the Committee. Other members of the Committee are Mr. Prakash Karnik, Mr. Deepak Puri, Mr. Bernard Gallus and Mrs. Nita Puri. The Company Secretary acts as the Secretary of the Committee.

Terms of reference

The Investors' Grievance Committee looks into redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of Annual Reports, non-receipt of dividend and allied matters.

Meetings

During the year, the Committee met four times on the following dates:

(i) 8th July, 2009

(ii) 29th July, 2009

(iii) 30th October, 2009

(iv) 29th January, 2010

Following are the attendance details of the members at the Committee meetings:-

Members	Committee meetings held during the year	No. of meetings attended
Mr. John Levack (Chairman)	4	3
Mr. Prakash Karnik	4	4
Mr. Deepak Puri	4	3
Mrs. Nita Puri	4	4
Mr. Bernard Gallus	4	3

Name and designation of the Compliance Officer: Mrs. Minni Katariya, Head Legal and Company Secretary.

The transfer / transmission of physical share certificates is approved by the Company Secretary at least once in a fortnight on the basis of recommendations received from the Company's Registrar and Share Transfer Agent-M/s. MCS Limited.

The investors may lodge their grievances through e-mail at shares@moserbaer.net or contact the Compliance Officer at the following numbers: -

Telephone numbers: (011) 40594444
Fax numbers : (011) 41635211/ 26911860

Information regarding complaints received from the shareholders during the period 1st April, 2009 to 31st March, 2010.

Nature of the complaints	Received	Replied satisfactorily	Pending
Relating to transfer, transmission, etc.	—	—	—
Relating to dematerialization	—	—	—
Relating to dividend	3	3	—
Relating to bonus	4	4	—
Relating to Annual Report	37	37	
Relating to miscellaneous matters	2	2	—
TOTAL	**46**	**46**	**---**

No share was pending for transfer as on 31st March, 2010.

D. CORPORATE GOVERNANCE COMMITTEE

Composition

The Chairman of the Committee, Mr. Prakash Karnik, is a Non-Executive Director. Other members of the Committee comprise of Mr. Viraj Sawhney, Mr. John Levack, Mr. Deepak Puri and Mr. Bernard Gallus. The Company Secretary acts as the Secretary of the Committee.

Terms of reference

a) To evaluate the current composition, organization and governance of the Board and its Committees, as well as determine future requirements and make recommendations in this regard to the Board for its approval.

b) To recommend the appointment of such Directors on the Board who are of proven competence and have adequate professional experience.

c) To oversee the evaluation of the Board.

d) To recommend to the Board, Director nominees for each Committee of the Board.

e) To coordinate and approve Board and Committee meeting schedules.

f) To make regular reports to the Board on the matters listed herein and on such other matters as may be referred to it by the Board from time to time.

g) To advise the Company on the best business practices being followed on Corporate Governance issues world-wide and to implement those in the Company appropriately.

h) To appoint any outside agency to report on Corporate Governance matters.

i) To appoint consultants in this regard and to obtain and implement their advise, reports or opinions.

j) To recommend to the Board the governance structure for management of affairs of the Company.

k) To review and re-examine this charter annually and make recommendations to the Board for any proposed changes.

l) To annually review and evaluate its performance.

E. CAPEX COMMITTEE

Composition

Mr. Ratul Puri is the Chairman of the Committee. Other members of the Committee are Mr. Prakash Karnik, Mr. John Levack and Mr. Viraj Sawhney. The Company Secretary acts as the Secretary of the Committee.

Terms of reference

Keeping in view the increasing requirements for the equipments and machineries for the Company and its Group Companies, the scope of work of the Capex Committee is:

1. To direct the Capital Expenditure for whole of the Moser Baer India Limited's Group Companies up to the following limits:

S. No.	Business Unit/Division	Budgeted		Unbudgeted	
		CAPEX Committee	Internal CAR Committee	CAPEX Committee	Internal CAR Committee
1	Blank Optical Media, Media & Entertainment Services:All Assets	US$ 5 million or more	Upto US$ 5 million	US$ 1.5 million or more per CAR or in excess of overall limit	Upto US$ 1.5 million per CAR subject to overall limit
2(a)	Home Entertainment:- All Intangible Assets (Catalogue, New films copy rights and maketing & distribution rights)	US$ 2.5 million or more	Upto US$ 2.5 million	US$ 1.5 million or more per CAR or in excess of overall limit	US$ 1.5 million or more per CAR or subject to overall limit
2(b)	Home Entertainment: - Film production and Satellite related	US$ 1.25 million or more	Upto US$ 1.25 million	US$ 0.75 million or more per CAR or in excess of overall limit	Upto US$ 0.75 million per CAR subject to overall limit

2. To review and approve the expansion plans in line with the Group Companies Business Strategy;

3. To review and approve the Annual CAPEX Budget for the whole of the Group Companies of Moser Baer India Limited;

4. To monitor the progress of major Capital projects versus the Annual Business Plan on a quarterly basis;

5. To review and approve individual Capital Appropriation Request (CAR) for large projects in excess of US$ 5 million per program;

6. To review CARs < US$ 5 million and > US$ 1 million on a quarterly basis;

F. BANKING AND FINANCE COMMITTEE

Composition

Mr. Deepak Puri is the Chairman of the Committee. Other members of the Committee are Mrs. Nita Puri and Mr. Ratul Puri. The Company Secretary acts as the Secretary of the Committee.

Terms of reference

The Banking and Finance Committee identifies the fund-based and non-fund based requirements of the Company and approves the availing of these facilities from Banks and Financial Institutions, as and when the need arises, within the limits sanctioned by the Board. The Banking and Finance Committee also authorize the officials of the Company to execute the routine documents on behalf of the Company.

G. PROJECT DEZIRE COMMITTEE

Composition

Mr. Deepak Puri is the Chairman of the Committee. Other members of the Committee are Mr. Ratul Puri, Dr. Vinayshil Gautam, Mr. Arun Bharat Ram, Mr. V.N Koura, and Mr. Viraj Sawhney. The Company Secretary acts as the Secretary of the Committee.

Terms of reference

The Project Dezire Committee has the rights, authorities and powers to do all the acts in relation to or ancillary to any of the related matter including but not limited to the following:

a) Approving the offer document and filing the same with any authority or persons as may be required;

b) Approving the issue price and the detailed terms and conditions of the issue of the Securities including determining the conversion price of convertible Securities, the number of equity shares to be allotted, the basis of allocation and allotment of Equity Shares;

c) To affix the Common Seal of the Company on any agreement(s)/ documents as may be required to be executed in connection with the above, in the presence of any Director of the Company and persons authorized who shall sign the same in token thereof;

d) To appoint Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Lawyers, Advisors and all such Agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and to remove and modify the terms of appointment of any such agencies;

e) To issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of each offering, all such Equity Shares ranking pari passu with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and each of the offering documents;.

f) Arranging the delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of Securities by the Company;

g) To mortgage and/or create a charge on all or any of the moveable, immoveable or intangible assets of the Company including any subsidiary thereof, on such terms and conditions as may be deemed necessary in order to secure the funds raised by the Company, up to USD 165 million or any other transactions contemplated by the aforementioned resolutions.

h) To pledge or create a lien on all or any of the investments held by the Company including any Subsidiary thereof on such terms and conditions as may be deemed necessary in order to secure the funds raised by the Company, up to USD 165 million or any other transactions contemplated by the aforementioned resolutions;

i) Taking decision to open the issue, decide issue opening and closing dates of each offering;

j) Opening and operating such banks accounts, escrow account and demat accounts as may be required for the transaction;

k) To finalise the terms of the exchange offer, if any to be provided to the existing bond holders and cancel the existing bonds, if required

l) To consider and finalise various options for such restructuring the liability of the Company, including considering repurchase/early redemption of FCCBs through market purchases or tender offers or a combination thereof, including for exchange with existing FCCBs and/or resetting the conversion price the existing FCCBs, subject to applicable law requisite approvals and to enter into the necessary documentation required for such activities.

m) To determine the timing, pricing and all the terms and conditions for the aforesaid purchases or tender offers subject to applicable law;

n) Making all the necessary applications including application for listing of the Equity Shares of the Company on one or more Stock Exchange(s), applications to RBI, SEBI or any other authority wherever required as per applicable laws for any of the transactions or matters contemplated by the aforementioned resolutions and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s) and make the necessary regulatory filings in this regard, if required; and

o) To do all such acts, deeds, matters and things and execute all such other documents, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transactions or matters and to authorize or delegate all or any of the powers herein above conferred to any or more persons, if needed and to settle all questions, difficulties or doubts that may arise in this regard.

H. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition

Mr. Deepak Puri is the Chairman of this Committee. The other members of the Committee are Mrs. Nita Puri, Mr. Viraj Sawhney and Mr. Bernard Gallus.

Scope of work and powers of the Committee are as follows:

(a) To interpret the organizational CSR objectives and set up specific goals to be achieved towards these objectives.

(b) To make periodical appraisal of CSR initiatives.

(c) To decide about resource allocation for each of the focus areas from its corpus.

(d) To prepare and place before the Board the CSR Annual Report.

(e) To prepare and lay before the Board 'the Action Plan' for the ensuing year.

(f) To set up a Trust, to contribute to the trust such funds as may be required from the overall corpus for CSR activity.

(g) To appoint the Standing Committees and other Committees or sub- Committees, as may be necessary from time to time.

(h) To delegate any or all of its powers to the Chairman of the Board of Directors, other Committees or Sub-Committees duly appointed.

(i) To select representatives/candidates from among the members of the Committee for participation in national and international seminars/conferences, workshops, study tours and training courses. The cost shall be borne by the Committee from the CSR budget. However, in case of the Chairman of the Board of Directors, the cost shall be borne by the Company.

4. COMPLIANCE WITH SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2002

In pursuance of these regulations, the Company has formulated Standing Instructions for the Employees and Directors for dealing in Shares of the Company and these Standing Instructions were implemented with effect from 9th September, 2002 and duly amended from time to time. Various forms have been designed to receive periodical information from the employees and the Directors of the Company, as required in terms of these regulations. Further, the Trading Window for dealing in shares of the Company has been closed for the Directors and employees of the Company as per the following details: -

Dates of closure of trading window	Purpose of closure	Date of Board Meeting for considering the reserved matter(s)
Tuesday, 14th April, 2009 to Thursday, 30th April, 2009	Consideration of un-audited financial results for the quarter ended on 31st March, 2009.	Wednesday, 29th day of April, 2009
Tuesday, 23rd June, 2009 to Thursday, 9th July, 2009	Consideration of the audited financial results for the year ended on 31st March 2009.	Wednesday, 8th day of July, 2009
Wednesday, 15th July, 2009 to Friday, 31st July, 2009	Consideration of un-audited financial results for the quarter ended on 30th June, 2009	Thursday, 30th day of July, 2009
Thursday, 15th October, 2009 to Saturday, 31st October, 2009	Consideration of un-audited financial results for the quarter ended on 30th September, 2009	Friday, 30th day of October, 2009
Thursday, 14th January, 2010 to Saturday, 30th January, 2010	Consideration of un-audited financial results for the quarter ended on 31st December, 2009	Friday, 29th day of January 2010

5. PARTICULARS OF ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS HELD DURING THE LAST THREE YEARS

General Meeting	Date	Time	Venue	Special Resolutions passed
Annual General Meeting	15/06/2007	9:30 A.M.	FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi- 110 001	a) To issue FCCBs/ GDRs/ ADRs and/or Equity Shares through depository receipt mechanism and/or other financial instruments convertible into or linked to Equity Shares, etc for a value upto USD 150 million. b) To increase the remuneration of Mrs. Nita Puri, whole-time Director to Rs. 5,750,000. c) To consider the matter relating to increasing the number of Equity Shares under DSOP-2005 of the Company to 10,00,000. d) To consider the matter relating to capitalizing of reserves of the Company to issue Bonus Equity Shares in the ratio of 1:2. e) To consider the matter relating to alteration of Articles of Association of the Company.
Annual General Meeting	23/07/2008	9:30 A.M.	FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi- 110 001	a) To issue under the Employees' Stock Option Scheme of the company, such number of Equity Shares in the company within the aggregate limit of 6,930,063 Equity Shares (4,400,000 original options and 1,530,063 bonus stock options), as may be decided by the Board, to its employees and Directors (other than Promoter Directors). b) To issue under the Employees' Stock Option Scheme of the company, such number of Equity Shares in the company within the aggregate limit of 6,930,063 Equity Shares (4,400,000 original options and 1,530,063 bonus stock options), as may be decided by the Board, to employees and Directors (other than Promoter Directors) of subsidiary Companies [Whether Indian subsidiary or foreign subsidiary of the Company].

General Meeting	Date	Time	Venue	Special Resolutions passed
Annual General Meeting	08/09/2009	9:30 A.M.	FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi- 110 001	a) To consider the matter relating to entering into a Consulting Agreement with HARCOURT, a company incorporated under the laws of France, and represented by its Managing Partner, Mr. Frank E. Dangeard, Director of the Company. b) To consider the matter relating to approval of Employees' Stock Option Plan-2009 (ESOP-2009) and issue of such number of Equity Shares not exceeding 4,650,413 to its employees and Directors other than Promoter Directors. c) To consider the matter relating to issue under the Employees' Stock Option Plan-2009 (ESOP-2009) of the Company such number of equity shares not exceeding 4,650,413 to employees and Directors of Subsidiary Companies. d) To consider the matter relating to amendment in Employees' Stock Option Scheme (ESOP-2004) of the Company so as to reduce the maximum number of Equity Shares that can be issued under the said plan from 6,930,063 to 5,558,938. e) To consider the matter relating to amendment in Employees' Stock Option Scheme (ESOP-2004) of the Company so as to reduce the maximum number of Equity Shares that can be issued under the said plan, from 6,930,063 to 5,558,938, to employees and Directors of Subsidiary Companies. f) To consider the matter relating to amendment under the Director's Stock Option Scheme (DSOP-2005) of the Company to amend the existing pricing formula.

During the Financial Year 2009-10, the following resolution was passed through Postal Ballot:

I. TO REVISE THE CONVERSION PRICE FOR THE COMPANY EXISTING FCCBS AND ALSO TO OFFER, ISSUE AND ALLOT IN ONE OR MORE TRANCHES, WHETHER RUPEE DENOMINATED OR DENOMINATED IN FOREIGN CURRENCY, IN ONE OR MORE FOREIGN MARKETS, OR BY WAY OF A QUALIFIED INSTITUTIONAL PLACEMENT UNDER THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009 FOR A VALUE OF UP TO US DOLLAR 165 MILLION AS SET OUT IN THE POSTAL BALLOT NOTICE DATED 29TH JANUARY 2010.

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (ICDR Regulations) and subject to such approvals, permissions, consents and sanctions as may be necessary from the Government of India (GOI), the Reserve Bank of India (RBI), the provisions of the Foreign Exchange Management Act, 1999 (FEMA), The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, The Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 (1993 Scheme), and subject to the approval, consent, permission and / or sanction of the Ministry of Finance (Department of Economic Affairs) and Ministry of Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance) and all other Ministries / Departments of the Government of India, the RBI and the Securities and Exchange Board of India (SEBI) and / or any other competent authorities and the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and in accordance with the regulations and guidelines issued by the GOI, RBI, SEBI and any competent authorities and clarifications issued thereon from time to time and subject to all other necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include any Committee thereof) consent of the shareholders of the Company be and is hereby accorded to revise the conversion price of the Company's existing Foreign Currency Convertible Bonds (FCCBs) and also to create, offer, issue and allot in one or more tranches, whether rupee denominated or denominated in foreign currency, in the course of international and / or domestic offering(s) in one or more foreign markets, for a value of up to USD 165 Million such number of Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), including for exchange with existing FCCBs, and / or Equity Shares through Depository Receipt Mechanism and / or any Other Financial Instruments (OFIs) convertible into or linked to Equity Shares or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form (hereinafter collectively referred to as the 'Securities') or any combination of Securities to any person including foreign / resident investors (whether institutions, incorporated bodies, mutual funds and / or individuals or otherwise), Foreign Institutional Investors, Promoters, Indian and/or Multilateral Financial Institutions, Mutual Funds, Non- Resident Indians, Employees of the Company and / or any other categories of investors, whether they be holders of shares of the Company or not (collectively called the 'Investors') including allotment in exercise of a green shoe option, if any, by the Company, through private placement(s) or public offers, at such time or times, at such price or prices, at a discount or premium to the market price or prices in such manner and on such terms and conditions including security, rate of interest, etc., as may be decided by and deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the Lead Managers, as the Board in its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER THAT subject to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof), approval of the shareholders and the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ('ICDR Regulations') and the provisions of the Foreign Exchange Management Act, 2000 (FEMA), Foreign Exchange Management (Transfer or Issue of Security by a Person

Resident Outside India) Regulations, 2000, the Board may at their absolute discretion, issue, offer and allot Equity Shares or Warrants convertible into Equity Shares simultaneously with non convertible debentures up to the amount of USD 165 Million inclusive of such premium, as specified above, to Qualified Institutional Buyers (as defined by the ICDR Regulations) pursuant to a qualified institutional placement, as provided under Chapter VIII of the ICDR Regulations.

RESOLVED FURTHER THAT if any issue of Securities is made by way of a Qualified Institutions Placement in terms of Chapter VIII of the ICDR Regulations (hereinafter referred to as 'Eligible Securities' within the meaning of the ICDR Regulations), the Eligible Securities, or any combination of Eligible Securities as may be decided by the Board, issued for such purpose, shall be fully paid-up and the allotment of such Eligible Securities or any combination thereof, shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the ICDR Regulations from time to time at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations and the Eligible Securities shall not be eligible to be sold for a period of twelve months from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the ICDR Regulations.

RESOLVED FURTHER THAT in the event that Equity Shares are issued to Qualified Institutional Buyers under Chapter VIII of the ICDR Regulations, the relevant date for the purpose of pricing of the securities shall be determined by the Board and at a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the ICDR Regulations subsequent to the receipt of shareholders' approval in terms of Section 81(1A) and other applicable provisions, if any, of the Companies Act and other applicable laws, regulations and guidelines

RESOLVED FURTHER THAT in the event that Warrants which are convertible into Equity Shares of the Company are issued simultaneously with non convertible debentures to Qualified Institutional Buyers under Chapter VIII of the ICDR Regulations, the relevant date for the purpose of pricing of such securities, shall be the meeting in which the Board decides to open the issue of such Warrants simultaneously with non convertible debentures subsequent to the receipt of shareholders' approval in terms of Section 81(1A) and other applicable provisions, if any, of the Companies Act and other applicable laws, regulations and guidelines OR the date on which the holder of such Warrants, which are convertible into or exchangeable with the Equity Shares, becomes entitled to apply for the Equity Shares against such Warrants.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued through international offerings, the relevant date for the purpose of pricing the Securities shall be the meeting in which the Board decides to open the issue of such Securities subsequent to the receipt of shareholders' approval in terms of Section 81(1A) or as may be determined in accordance with the Companies Act, other applicable laws, regulations and guidelines and in accordance with the 1993 Scheme and other applicable pricing provisions issued by the Ministry of Finance and/or RBI.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities and the Eligible Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variation of the conversion price of the Securities and the Eligible Securities during the duration of the Securities and the Eligible Securities and the Board be and is hereby authorised in its absolute discretion, in such manner as it may deem fit, to dispose off such of the Securities and the Eligible Securities that are not subscribed.

RESOLVED FURTHER THAT:

(i) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and

(ii) the underlying Equity Shares shall rank pari passu with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the issue of Equity Shares underlying the Securities to the holders of the Securities shall, inter alia, be subject to the following terms and conditions:

(a) in the event of the Company making a bonus issue by way of capitalisation of its profits or reserves prior to the allotment of the Equity Shares, the number of shares to be allotted shall stand augmented in the same proportion in which the Equity Share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;

(b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares shall stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities or the Eligible Securities at the same price at which the same are offered to the existing shareholders; and

(c) in the event of any merger, amalgamation, takeover or any other re-organisation, the number of shares, the price and the time period as aforesaid shall be suitably adjusted.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Lawyers, Advisors and all such Agencies as may be involved or concerned in such offerings of Securities or the Eligible Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on one or more national and international Stock Exchange(s).

RESOLVED FURTHER THAT subject to applicable law or regulatory approvals that may be required, the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities including additional equity shares to be issued on revision of conversion price of the outstanding Foreign Currency Convertible Bonds (FCCBs) of the company, or the Eligible Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking pari passu with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and in the offering documents.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form, terms and timing of the Issue(s), including the class of investors to whom the Securities or the Eligible Securities are to be allotted, number of Securities or the Eligible Securities to be allotted in each tranche, issue price, face value, premium amount on issue / conversion of Securities / exercise of warrants / redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges in India and / or abroad as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the Issue(s).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer documents(s), execution of various transaction documents, creation of mortgage / charge in accordance with Section 293(1)(a) of the Companies Act, 1956, in respect of any Securities or the Eligible Securities as may be required either on pari passu basis or otherwise as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities or Eligible Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

Details of Voting Pattern

Number of valid postal ballot forms received	193
Votes in favour of the Resolution	2,77,40,242
Votes against the Resolution	12,46,338
Number of invalid postal ballot forms received	44

The special resolution as set out in the Notice dated 29th January, 2010 was, therefore, duly approved by the requisite majority of the shareholders on 12th March, 2010.

Person who conducted the postal ballot exercise - The Company had appointed Mr. D.P. Gupta, Practicing Company Secretary as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Procedure to carry out the postal Ballot:

The respective Notice under Section 192A (2) of the Companies Act, 1956, was sent to all shareholders for obtaining the consent of the shareholders. Mr. D.P. Gupta, scrutinizer, had carried out the scrutiny of all the postal ballot forms received from the shareholders and submitted his report to the Board of Directors of the Company.

6. DISCLOSURES

a) Disclosures on materially significant related party transactions, i.e. transactions of the Company of material nature, with its Promoters, Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large - NIL.

b) Disclosure of accounting treatment, if different, from that prescribed in Accounting Standards with explanation -Not applicable.

c) Details of non-compliance by the Company, penalties, strictures imposed by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years- NIL.

d) Mr. Ratul Puri, Executive Director is a son of Mr. Deepak Puri, Managing Director and Mrs. Nita Puri, Whole Time Director is a wife of Mr. Deepak Puri, Managing Director.

7. MEANS OF COMMUNICATION

a) The Company ensures that its quarterly and annual financial results are sent to the concerned Stock Exchanges immediately after the same have been considered and taken on record by the Board of Directors. The Company also ensures that its annually/quarterly financial results are also published in any of the following newspapers:

(i) The Economic Times.
(ii) Business Standard
(iii) The Times of India.
(iv) The Financial Times
(v) The Financial Express
(vi) The Pioneer
(vii) Mumbai Mirror
(viii) Hindu Business Line
(ix) Hindustan Hindi
(x) Veer Arjun
(xi) Navbharat Times.
(xii) Jansatta

The details of the publications of the financial results in the year under review are as under:	Publication Date
Audited financial results for the year ended on March 31, 2009	10th day of July, 2009
Unaudited financial results for the first quarter ended on June 30, 2009	1tst day of August, 2009
Unaudited financial results for the second quarter ended on September 30, 2009	1st day of November, 2009
Unaudited financial results for the third quarter ended on December 31, 2009	30th day of January, 2010
Unaudited financial results for the fourth quarter ended on March 31, 2010	2nd day of May, 2010

b) The Company also ensures that these results are promptly and prominently displayed on the Company's website:- www.moserbaer.in

c) The Company also complies with SEBI regulations regarding filing of its financial results under the EDIFAR system. As per circular no. CIR/ CFD/ DCR/ 3/ 2010 dated 19th April, 2010 issued by SEBI; the EDIFAR filing under clause 51 of the listing agreement has been revoked.

d) The Company's official news releases are also displayed on the Company's web site.

e) Management Discussion and Analysis Report (MD & A) is a part of the Annual Report of the Company for the year 2009-10.

8. CODE OF CONDUCT

As per Clause 49 of the listing agreement, the company has formulated a Code of Conduct each for the Directors and Senior Management and the same have been placed on the website of the Company. The declaration of the Managing Director regarding the compliance with the Codes of Conduct by Directors and the senior managerial personnel is given in the Annual Report.

9. GENERAL SHAREHOLDER INFORMATION

a) 27th ANNUAL GENERAL MEETING

Date : 30th September, 2010

Time : 9.30 A.M.

Venue : FICCI Auditorium, New Delhi

b) FINANCIAL CALENDAR:
1st April to 31st March

c) BOOK CLOSURE:
29th September, 2010 to 30th September, 2010

d) DIVIDEND PAYMENT DATE:
The dividend for the year 2009-10 as recommended by the Directors and if declared at the forthcoming Annual General Meeting, will be paid on or before 29th October, 2010 (Friday) to those members whose names appear:-

A. as beneficial owners as at the closure of business hours on 28th September, 2010 as per the list being furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and

B. as members in the Register of Members of the Company as at the closure of business hours on 28th September, 2010

e) LISTING

The Equity Shares of the Company are listed at the following Stock Exchanges:

i) Bombay Stock Exchange Limited at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001.

ii) National Stock Exchange of India Limited at 'Exchange Plaza', Bandra - Kurla Complex, Bandra (East), Mumbai- 400 051.

The Company has paid the Annual Listing Fees for the year 2010-11 to Bombay Stock Exchange Limited and to National Stock Exchange of India Limited

f) STOCK CODE

i) Bombay Stock Exchange is: 517140

ii) National Stock Exchange is: MOSERBAER

g) TOP TEN SHAREHOLDERS AND THE SHAREHOLDERS HOLDING MORE THAN 1% OF SHARE CAPITAL

Top Ten Shareholders of the Company as on 31st March, 2010

S. No.	Name of the Shareholders	No. of Shares	% of Shares
1.	Woodgreen Investments Ltd.	22,050,000	13.10
2.	Mr. Ratul Puri	16,143,753	9.59
3.	International Finance Corporation	15,076,791	8.96
4.	Electra Partners Mauritius Ltd.	9,960,345	5.92
5.	Ealing Investments Ltd.	9,600,000	5.70
6.	Bloom Investments Ltd.	9,600,000	5.70
7.	Randall Investments Ltd.	9,600,000	5.70
8.	Winterfall Ltd.	5,849,572	3.48
9.	Mr. Deepak Puri	5,762,973	3.42
10.	ELM International Ltd.	5,634,855	3.35

Shareholders holding 1% and more shares as on 31st March, 2010

S. No.	Name of the Shareholders	No. of Shares	% of Shares
1.	Woodgreen Investments Ltd.	22,050,000	13.10
2.	Mr. Ratul Puri	16,143,753	9.59
3.	International Finance Corporation	15,076,791	8.96
4.	Electra Partners Mauritius Ltd.	9,960,345	5.92
5.	Ealing Investments Ltd.	9,600,000	5.70
6.	Bloom Investments Ltd.	9,600,000	5.70
7.	Randall Investments Ltd.	9,600,000	5.70
8.	Winterfall Ltd.	5,849,572	3.48
9.	Mr. Deepak Puri	5,762,973	3.42
10.	ELM International Ltd.	5,634,855	3.35
11.	Mrs. Nita Puri	3,434,631	2.04
12.	Reliance Capital Trustee Company Ltd. A/c Reliance Growth Fund	3,055,099	1.82

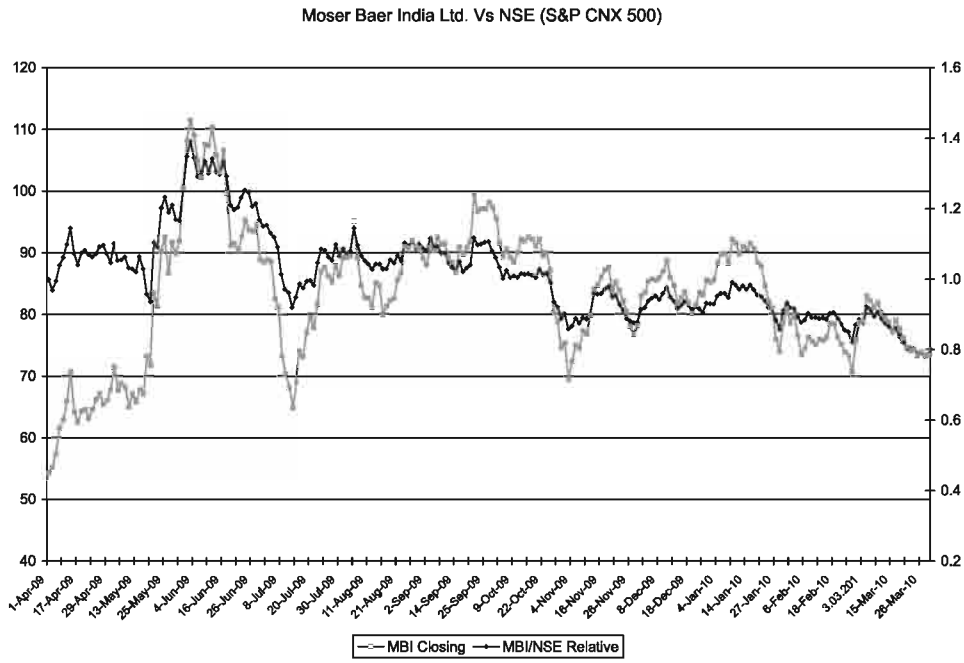
h) STOCK PRICE DATA

Stock Market Data at BSE and NSE for the period 1st April, 2009 to 31st March, 2010

Monthly high and low quotations of shares traded at Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange Ltd. (NSE) are as follows: -

MONTHS	BSE		NSE	
	Highest	Lowest	Highest	Lowest
April, 2009	74.60	52.55	74.75	50.00
May, 2009	96.80	63.15	95.25	63.40
June, 2009	114.55	86.50	114.90	85.00
July, 2009	91.75	63.50	91.80	63.50
August, 2009	95.95	78.90	95.85	77.00
September, 2009	102.30	85.00	102.25	86.10
October, 2009	97.70	74.00	97.70	73.50
November, 2009	88.65	68.75	89.80	68.65
December, 2009	90.50	78.50	90.00	78.50
January, 2010	94.20	71.50	94.10	71.20
February, 2010	84.25	70.20	84.20	70.00
March, 2010	83.75	59.10	83.80	72.75

i) STOCK PERFORMANCE IN COMPARISON TO NSE INDEX (S&P CNX 500):-



j) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2010

No. of Equity Shares held	No. of shareholders	%age of shareholders	No. of shares	%age of shares
Upto 5,000	107,370	99.41%	23,425,335	13.92%
5,001 to 10,000	321	0.30%	2,328,636	1.38%
10,001 to 20,000	139	0.13%	2,073,204	1.23%
20,001 to 30,000	39	0.04%	988,503	0.59%
30,001 to 40,000	29	0.03%	1,007,171	0.60%
40,001 to 50,000	16	0.01%	717,052	0.43%
50,001 to 100,000	25	0.02%	1,721,878	1.02%
100,001 & above	66	0.06%	136,044,325	80.83%
Total	**108,005**	**100%**	**168,306,104**	**100%**

k) REGISTRAR AND SHARE TRANSFER AGENTS

MCS Limited is the Registrar & Share Transfer Agent of the Company and its office is located at F- 65, 1st Floor, Okhla Industrial Area, Phase- I, New Delhi - 110 020. Contact Person is Mr. Anirudh Mitra. He can be contacted at the following numbers:-

Phone numbers : (011) 41406149/ 41406151/ 41406152/ 41709885/ 41609386
Fax number : (011) 41709881
E-mail address : admin@mcsdel.com

l) SHARE TRANSFER SYSTEM

The application for transfer, transmission and transposition of shares are received by the Company at its registered office or at the office of Registrars and Share Transfer Agent- M/s. MCS Limited.

Following is the procedure of transfer of physical share certificates:-

i) Entry of share certificate details and particulars of the transferee in the computer on receipt thereof in the office.

ii) Scrutiny of transfer deeds.

iii) Tallying of transferor's signature with the specimen signature available with the Registrar and Share Transfer Agent.

iv) Data entry of transfer deeds.

v) Preparation of objection memos and notices in respect of un-transferred shares.

vi) Generation of checklist for valid transfer deeds.

vii) Correction of data in the computer system on the basis of changes marked in the checklist.

viii) Recording of transfer of shares in the computer system.

ix) Endorsement and signatures on the reverse side of the share certificates.

x) Generation of covering letters for the transferred share certificates and dispatch of transferred share certificates, objection memos and notices by registered post.

Following is the procedure for dematerialization of shares -

i) Entry of the share certificates and the dematerialization request form in the computer.

ii) Scrutiny of the share certificates and the dematerialization request form in the computer.

iii) Tallying of signature of the shareholder on the dematerialization request form with the specimen signature available with the Registrar and Share Transfer Agent.

iv) Data entry of dematerialization request forms.

v) Generation of checklist.

vi) Change of shares from physical to dematerialized mode.

vii) Send confirmation to NSDL and CDS (I) L.

m) DEMATERIALISATION OF SHARES AND LIQUIDITY

The Equity Shares of the Company are actively traded at major Stock Exchanges in dematerialized mode. As on 31st March 2010, 93.26% of the shares were held in dematerialized mode by 97.46% of the total shareholders of the Company.

n) PLANT LOCATIONS

i) 66, NSEZ, Noida, District- Gautam Budh Nagar U.P.

ii) A-164, Sector 80 Noida- II, Distt. Gautam Budh Nagar U.P.

iii) 66, Udyog Vihar Industrial Area, Greater Noida, U.P.

o) As on 31st March, 2010, no convertible securities including Global Depositary Receipts were outstanding for conversion into an equal number of Equity Shares.

p) ADDRESS FOR CORRESPONDENCE

i) All correspondence regarding transfer and dematerialization of share certificates should be addressed to our Registrar and Share Transfer Agent - MCS Limited located at F- 65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110 020.

Following are the contact numbers:

Telephone numbers - 41406149/ 41406151/ 41406152/ 41709885/ 41609386

Fax number - 41709881

E-mail address - admin@mcsdel.com

ii) For any other information, the shareholders may contact the Company Secretary at the Registered Office of the Company located at 43-B, Okhla Industrial Estate, New Delhi 110020.

Following are the contact nos.:-

Telephone numbers: (011) 40594444

Fax numbers: (011) 41635211/26911860

E-mail address: shares@moserbaer.net

10. OTHER INFORMATION

a. In terms of the provisions of Section 205C of the Companies Act, 1956, unclaimed equity dividend for the year 1995-96, 1996-97, 1997-98 and 1998-99, 1999-2000, 2000-2001 and 2001-2002 has been transferred to the Investor Education and Protection Fund.

b. The Company will transfer the amount remaining unpaid in its dividend account for the year 2002-2003 to the Investor Education and Protection Fund by Friday, 24th December, 2010. Those members who have not yet encashed their dividend warrants for the said year may refer the matter along with relevant details to the Company Secretary at the Registered Office of the Company located at 43-B, Okhla Industrial Estate, New Delhi-110020 latest by Friday, 26th November, 2010 to claim their unpaid dividend.

11. ADOPTION OF NEW CORPORATE GOVERNANCE CLAUSE

Compliance with mandatory and non-mandatory list of items:-

Your Company ensures that it complies with all the mandatory list of items mentioned in the corporate governance clause. It will endeavour, in future, to comply with the following non-mandatory list of items provided in the corporate governance clause; wherever applicable

1. The Chairman of the Board

The Chairman of the Company is an Executive Director thus, the entitlement to maintain Chairman's office at the Company's expense and further reimbursement of expenses incurred in performance of his duties is not applicable to the Company.

2. Remuneration Committee

The Board has constituted a Compensation Committee of the Company comprising Independent Directors for determining remuneration packages (including any other compensation) for Executive Directors.

3. Shareholders Rights

The Company publishes its quarterly results in the leading newspapers and had been regularly uploading the results at the EDIFAR of SEBI. As per circular no. CIR/ CFD/ DCR/ 3/ 2010 dated 19th April, 2010 issued by SEBI; the EDIFAR filing under clause 51 of the listing agreement has been revoked. Further, the Company always ensures to regularly update the financial statements and key events on its website. However, the Company does not send the declaration of the half yearly financial performance or a summary of significant events to each shareholder of the Company.

4. Postal Ballot

The company believes that the shareholders, who are unable to attend the meetings, do also vote on matters requiring the approval of the shareholders of the Company. As elaborately mentioned above, certain matters reserved for postal ballot as per listing agreement are passed through vote by postal ballot during the period under review.

5. Audit Qualifications

   The report of Statutory Auditors' of the Company is attached to the financial statements of the Company. The Company has always strived and achieved the regime of unqualified Auditors Report.

6. Training of Board Members

   The Company endeavours to organize training programme for its Board members

7. Mechanism for evaluating Non-Executive Board members.

   The performance evaluation of Non-Executive Directors will be done in the due course of time.

8. Whistle Blower Policy:

   The Company has formulated a Code of Conduct for its Directors and Senior Managerial Personnel which allows them to report any matter relating to unethical conduct or conflict of interest to their immediate supervisor. However, the Company does not have any formal Whistle Blower policy but the employees are free to report any matter relating to misconduct to their superiors.

COMPLIANCE WITH THE CODE OF ETHICS

Good Corporate Governance ultimately requires people of integrity. A Code of Conduct is an effective way to guide the behaviour of Directors and Senior Management Personnel to demonstrate the commitment of the Company to ethical practices. The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director to this effect is given below:

CERTIFICATE FOR COMPLIANCE WITH THE CODE OF ETHICS

This is to certify that, to the best of my knowledge and belief, for the financial year ended on 31st March, 2010, all the Board members and Senior Management Personnel have affirmed compliance with the code of ethics for Directors and Senior Management respectively.

Sd/-

Date: 12th July, 2010 — Deepak Puri

Place: New Delhi — Chairman and Managing Director

MANAGING DIRECTOR AND GROUP CHIEF FINANCIAL OFFICER CERTIFICATION

We, Deepak Puri, Managing Director and Yogesh Mathur, Group CFO of Moser Baer India Limited certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the financial year ended on 31st March, 2010, and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee:-

(i) significant changes, if any, in internal control over financial reporting during the year:

During the financial year ended on 31st March, 2010, there were no significant changes in internal control over financial reporting.

(ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

During the financial year ended on 31st March, 2010, there were no significant changes in accounting policies.

(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

During the financial year ended on 31st March, 2010, there were no instances of the above nature.

	Sd/-	Sd/-
Date : 12th July, 2010	**Deepak Puri**	**Yogesh Mathur**
Place : New Delhi	Chairman & Managing Director	Group CFO

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Moser Baer India Limited

We have examined the compliance of conditions of Corporate Governance by Moser Baer India Limited, for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement(s).

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Price Waterhouse
Firm Registration Number : 007568S
Chartered Accountants

Place : Gurgaon
Date : 12th July, 2010

Anuradha Tuli
Partner
Membership Number : F-85611