



BUILDING  
RESILIENCE

A Rubber band is a remarkable product. Simple. Resilient. Strong.  
It's ability to stretch, adapt and spring back is unrivalled.

The rubber band in the shape of an infinity symbol on the cover captures our resilient spirit and our ability to bounce back quickly.

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## VISION

Touching every life across the globe through high technology products and services

## MISSION

We will drive growth through our excellence in mass manufacturing we will move up the value chain through rapid development of technology, products and services. We will leverage our relationships, distribution, cost leadership and "can do" attitude to become a global market leader in every business

## YEAR AT A GLANCE

### BUILDING STRENGTH

- Commissioned 5 MW solar farm at village Tinwari, Tehsil - Osian, Distt-Jodhpur, Rajasthan, which will help save carbon emissions equivalent to 8400 tonnes annually
- Conversion of CD/DVD lines into the state-of the-art Blu Ray lines at a minimal cost
- Capacity expansion of Crystalline Silicon Solar Cells to 180 MW and Modules to 165 MW
- 110 MW of solar PV projects executed by Solar EPC business across technologies; another 40 MW of projects were commissioned during April - March 2012
- Demonstrated 18% efficiency p-type (mono) solar cells in the R&D laboratory
- Proof of concept demonstration of ~19% efficiency in Crystalline Silicon hetero-Junction solar cells at R&D level

### LEADING THE WAY

- Introduced India's first 'credit card-shaped' USB Flash drive
- Unveiled 'Expressions'-India's first range of fragrant discs
- Launched race car shaped mini- USB flash drive
- Launched India's first scratch- proof, water and heat resistant DVD-Rs and CD- Rs for archival purposes
- Introduced USB flash drives pre- loaded with TrustPort security software

### CORPORATE SOCIAL RESPONSIBILITY

- Moser Baer Trust, the community development arm of Moser Baer India Limited, has implemented a healthcare service programme in 37 villages in Noida and Greater Noida through a Mobile Health Unit
- Moser Baer Trust celebrated 'Sangam-2011' - its 3rd annual CSR meet
- Institutionalised employee volunteership programme "Aavahan" to promote active participation of employees in social causes

- Supported replication of film on Cancer awareness for hearing impaired

### RECOGNITIONS

- Moser Baer Solar has been conferred with the prestigious "5 Star Rating" by TÜV Rheinland for maintaining highest standards of quality in manufacturing for the third consecutive year
- Moser Baer emerges as among the first solar PV manufacturing units globally to be accredited with 'Green Leaf' RoHS Product Certification by Intertek Semko AB, Sweden
- Moser Baer has been awarded the highest grade rating by MNRE CRISIL – Solar grading SP 1B for Project Execution capability
- MBIL Trust has been conferred with the coveted Amity HR Excellence Award for best CSR for consistent efforts put by the organization to uplift and serve society through its best global practices
- For the 3rd consecutive year, MBIL has been awarded Level 4 rating by The Karmayog Corporate Social Responsibility (CSR) Study on CSR ratings among India's largest 500 companies



## CHAIRMAN'S MESSAGE

Dear Shareholders:

We are living in a very fast changing world. And in this changing environment we find that most businesses are confronted with newer and complex internal and external pressures. Of late, global growth has slowed to its weakest pace since the 2009 recession as the world's big economies have lost steam simultaneously.

The larger question that is occupying my mind is that while the demand for resources and new products continue to rise precipitously, the supply constraints keep multiplying, thereby, posing severe challenges for economic growth, the environment and our collective well being. This accompanied with the given world economic scenario has led me to realize that there are shorter economic cycles now which call for new levels of inner strength and responsiveness. While we are committed and continue to build a sustainable profile for the company, I am convinced that we need to do much more. Against this changing business backdrop, we at Moser Baer are building a culture of **resilience** throughout the organization.

As explained in physics, "**resilience**" to me is the ability of an object to absorb the impact of an external force and return to its original shape by releasing equal energy (like it happens with a rubber ball, for instance). In similar fashion, resilient organizations will be seen in relation to their response to the global economic crisis. The ability to bounce back with strength and determination is a great organizational attribute that we are making efforts to achieve at Moser Baer which will help us deal with any adversity proactively.

Now coming to the business, we find that the FY 2012 was unprecedented in many ways. However, your company's total income increased by 11.4% from FY 2011 on a standalone basis. EBITDA margins witnessed substantial improvement on account of improved market conditions, firm pricing and stabilizing input costs during the year. Even the shipment volumes of advanced formats improved and the pricing of contracts have been renegotiated upwards to factor in the historical increase in costs.

Your company continues to maintain its market leadership position as a world's leading manufacturer of storage media products. While world over the optical media industry is witnessing shrinkage in demand, we see overall improvement in the market environment leading to better volume and pricing during the year primarily due to supply rationalization and growing demand in the emerging markets. We did two important things here. On the one hand we focused on cost reduction strategies and on the other we continued to bring in a range of unique and innovative products especially in the solid state segment to our existing OEM customers and to the non- OEM market. Undertaking in-house designing, making innovative casings, constantly innovating ways to reduce costs, improving service quality and reducing turnaround time are only some of the indicative steps we took towards building our organizational resilience.

In solar we all have seen the mercurial rise of the solar PV sector from a cottage industry status in Germany to a \$100 billion business globally! Amidst falling PV prices, global installed capacity has already exceeded more than 65 GW. It is estimated that the industry is likely to install an additional 400-600 GW of PV capacity between now and 2020. However, at present it is not bereft of problems. Due to large scale, low cost Chinese manufacturing of PV modules, the market became oversupplied. As a result of which prices have dropped drastically with immense pressure on the margins. In these challenging times, we have continued to remain resilient, focus on opportunities across the value chain and exploit the fast growing Indian solar market. While on the one hand we are constantly focused on developing high quality, cost effective differentiated products for our customers, on the other, we are moving speedily with focus on solar EPC business, quality standards and R & D activities. Going forward I believe, our strong expertise in the Solar EPC domain with installations across technologies, will give us the necessary fillip to tap the increasing opportunities in the Indian solar market.

In the entertainment sector, we operate in the home video segment which we continue to dominate. The unique business model hinges on high quality, large variety content widely available at the most affordable prices. We have a strong distribution network with pan India presence. We continue to focus on mythological content and de-bundling the content into smaller buckets (episodes), activating the e-commerce route through beneficial tie-ups with leading e-commerce websites and strong measures to contain piracy. Going forward we plan to acquire new content through the royalty sharing model. While this will help us expand our portfolio, it will also keep the initial cost of acquisition low. We have delineated strategies to tap the growing market for digitization of content and work with other content owners in partnership towards aggregating and distributing the same.

It would be quite intriguing today, if I sit to predict 25 years ahead in the tech industries that we are present in. Change is constant and prognostications rarely stand. Looking back is easy. Look at 25 years back and we had

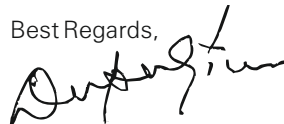
PC as a toddler, the internet as we know it, was science fiction. Today we have robust commercial internet, on demand entertainment in almost every urban home and mobile phones in almost every pocket streaming music, video and a host of multitasking functions in hand! All it took was a little imagination and loads of optimism. Amidst this pall of gloom, if you care to look closely, I reiterate what I said two years back; there is already a call for new zeitgeist in the air. And we can make the most of it by being resilient and continue to be innovative in reducing costs and creating value for our stakeholders. And we are determined to do so.

It is notable that resilient individuals and organizations do not waste their time complaining about their ups and downs, but accept them as givens. Idea is to have a realistic view of these peaks and troughs and prepare intelligently for all eventualities. One striking facet of resilient companies is that they retain their ability to act, remain innovative even in difficult circumstances, keeping one eye firmly on the future. And this is exactly what we are currently doing – retaining our ability to act and remaining innovative.

I sincerely thank you all for being with Moser Baer through thick and thin and for all your genuine support and encouragement. I assure you that we are deeply engaged in building inner strength at this moment and will continue to show our responsiveness with fruitful results.

Our strength stems from the people we have. I do recognize that these are challenging times for everyone and I would like to thank all our employees for their continued hard work and commitment. There are tremendous growth opportunities ahead of us. And I am certain that by using our inherent organizational resilience, we will collectively bounce back in this fast changing world!

Best Regards,



(Deepak Puri)

## BOARD OF DIRECTORS

MR. DEEPAK PURI

Chairman & Managing Director

MRS. NITA PURI

Whole Time Director

MR. JOHN LEVACK

Non-Executive and Nominee Director

MR. BERNARD GALLUS

Independent and Non-Executive Director

MR. RATUL PURI

Non-Executive Director

MR. V.N KOURA

Independent and Non-Executive Director

DR. VINAYSHIL GAUTAM

Independent and Non-Executive Director

MR. VINOD KR. BAKSHI

Independent and Non-Executive Director

MR. FRANK E. DANGEARD

Independent and Non-Executive Director

MR. VINEET SHARMA

Independent and Non-Executive Director

## MANAGEMENT DISCUSSION & ANALYSIS

### INTRODUCTION

2011-12 was a vital year for Moser Baer in strengthening our organizational will, taking up challenges in a positive spirit and standing tall in difficult times to emerge successful. The company is in a transformational phase and during the financial year 2011-12, we undertook key steps — to overcome the current challenging industry environment — aimed at creating a sustainable growth platform, leveraging our manufacturing & technology capabilities and management skills. We continue to focus on our goal to create value for all our stakeholders in the long term.

The global economy witnessed severe headwinds during the financial year 2012, highlighted by the economic crisis in Europe and slowdown in emerging markets such as India and China, which continued to impact businesses globally. As per IMF's latest World Economic Outlook (April 2012), world output growth declined to 3.9 percent in 2011 from 5.3 percent in 2010. However, reforms and actions are being undertaken on a collective basis to achieve economic recovery and stability in the medium term.

### COMPANY OVERVIEW

During FY 2011-12, the company witnessed improvement in margins on account of restoration of the demand-supply balance in the storage media industry that led to higher price realizations during the period.

- **Total Income:** The Company's total income increased by 11.4% to reach INR 21,283 million in FY 2012 from INR 19,111 million in FY 2011 on a standalone basis
- **Cash and Liquidity:** Operating cash flows of the company stood at INR 3,014 million during the year
- **EBITDA margins** improved substantially on account of improved market conditions, firm pricing and stabilizing input costs during the year
- **Shipment volumes** witnessed an improvement during the financial year, especially those of advanced formats. Pricing of customer contracts was renegotiated upwards to compensate the historical increase in costs

For the Storage Media Business, it was a turnaround year with demand-supply balance restored, leading to higher shipments and firm prices compared to the previous financial year. This was further supported by stabilization in input costs during the year. Blank Optical Media EBITDA margins recovered from about 11% in FY 2011 to over 16% in FY 2012. The Solid State Media product line also made significant headway in the OEM and Non OEM segments. However, as a result of the difficult business conditions witnessed over the past 2-3 years, the company faced liquidity constraints during the period that affected its ability to optimally benefit from the improving market dynamics in the global storage media.

In the Solar Photovoltaic segment, the global as well as Indian PV industry increased strongly to reach 29.7 GW and ~1GW of PV installations, respectively in 2011. The Indian PV industry, especially witnessed remarkable



growth with PV installations increasing manifolds during the period driven by the Jawahar Lal Nehru National Solar Mission (JNNSM/NSM) and the State Solar policies. However, despite the installation growth, massive capacity built up by the Chinese manufacturers resulted in steep price declines across markets leading to lower capacity utilizations across PV manufacturers globally. This difficult industry environment adversely affected our PV operations as well resulting in lower utilization rates during the year. In this challenged scenario we focused on our core competencies to capitalize on opportunities across the solar value chain. Our Solar EPC business witnessed robust growth during the year with over 110 MW of projects executed during the year across technologies and regions. Another 40 MW of projects were commissioned during April-May 2012. We continued our focus on strengthening our quality systems, which resulted in Moser Baer's PV business being awarded the prestigious 5 star rating by TUV Rheinland for Quality Management System for the third year in a row.

Moser Baer's Entertainment Business, one of the leading players with large number of titles in its fold, is well positioned as the market leader in the home entertainment market. Rise in demand for entertainment products in Tier 2 and Tier 3 cities is one of the key drivers of growth in this industry. However, the wide availability of pirated content at low prices in target markets poses risks to the growth potential of the organized players in the Home Entertainment industry. We are currently focusing on providing high quality content at affordable prices to end consumers leveraging our strong capabilities in product innovation and nationwide distribution.

## STORAGE MEDIA

### STORAGE MEDIA INDUSTRY

The overall Optical Media industry is witnessing shrinkage in the global demand; however supply rationalization and growing demand in emerging markets have resulted in improvement in the market environment leading to better overall volumes and pricing during the year.

During the financial year, the trend of increasing demand for new generation optical media products like Blu-ray in mature markets, such as the USA and Europe, was reinforced with simultaneous softening of demand for the first generation products (CDs and DVDs). Given that the technology is new, the margins in the segment are higher. However, as this technology also approaches maturity, the margins are expected to stabilize at lower levels.

Emerging markets on the other hand, continued to show higher preference for DVDs thereby developing as key demand centers for the product category. Development of informal channels in some of the emerging markets is further boosting demand for optical media products, especially for DVDs and CDs.

The storage media segment also includes Solid State Media devices (Flash Drives, SD and Micro SD Cards) that are witnessing increasing popularity globally and hence

higher demand on account of portability, faster data transfer, ease of use and declining per unit costs.

### MOSER BAER'S STORAGE MEDIA BUSINESS

Moser Baer continues to be in a leadership position in the storage media market both in terms of low cost mass manufacturing and in offering a wide range of high quality innovative products. Our unrelenting focus on quality and service has resulted in our continued business alliances with leading OEMs across the world. We supply products to over 90 countries globally. We continue to focus on exploring and developing new demand centers and Non OEM markets to diversify our revenue streams.

Historically, margins of our key products, CDs and DVDs have remained positive, however, during FY 2011 margins were eroded as realizations declined and raw material costs increased. Our business witnessed marked improvement in 2011-12 with demand-supply balance getting restored, leading to improvement in shipments and firming of prices amid stabilizing input costs. This led to improvement in the operating profitability of the company. However, the liquidity constraints witnessed by the company during the year — due to the challenging business environment over the last few years — impacted its ability to sufficiently benefit from the improved market conditions. The company also decided to restructure its debt obligations to support its future growth strategy and align its debt repayments with expected future cash flows. Accordingly the company approached the CDR (Corporate Debt Restructuring) cell with an objective to restructure its debt obligations under the CDR mechanism.

During the financial year, we continued to streamline our operations with changing industry dynamics and worked on several cost reduction and productivity improvement initiatives. We are also continuously working on shifting our power source from high cost captive diesel generators to cost effective solutions including grid connection.

As one of the select few suppliers of advanced formats globally, we have established our presence as a key player in this high margin product category. We continue to convert our existing lines to Blu-ray lines at low incremental costs.

In the Solid State Media segment, we are continuously focusing on expanding our portfolio to offer a range of innovative products to our existing OEM customers as well as to the Non-OEM market. During the financial year, we launched an array of pioneering products and models under our own brand in the domestic market that received overwhelming response. In addition to our regular range of Swivel and Knight USB drives, we launched several new models like "Racer" and credit card shaped USB drives during the year.

We have also undertaken in-house designing and manufacturing of innovative casings thereby strengthening our ability to innovate and pioneer. We have continuously focused on improving our service levels and reducing the turnaround time.

Operating Margins of our storage media segment improved substantially during FY 2012 on account of increase in volumes, improved pricing, cost reduction measures undertaken by the company and stabilizing input costs.

## OUTLOOK

In the medium term, the storage media market is expected to remain stable on the back of higher traction generated by the advanced formats such as Blu-ray discs in the developed markets of the US and Europe and stable demand for DVDs in emerging markets. As per Futuresource's forecasts global production of Blu-ray discs will increase to 500 million discs per year by 2014 driven by the emergence of new technologies such as Blu-ray 3D. In the long term, the CD/DVD market is likely to witness a decline, resulting from shift in preference for advanced storage media products, leading to shrinkage in volumes in these product categories. However, the company is endeavouring to maintain its leadership position in the global markets as some of the fringe players are expected to exit the market.

With the increased liquidity on account of extension of repayment period, post the completion of the debt restructuring process, the company is expected to benefit by way of increasing its capacity utilization and addressing the ongoing demand in the market.

Solid State Media Segment is expected to be a key growth driver led by increasing usage of computers/laptops in India coupled with current low penetration levels and high penetration of mobile phones. As per Futuresource Consulting, global shipments of solid state media are likely to reach 937 million units in 2014 from 688 million units in 2010.

Moser Baer's future strategy is to continue to focus on product innovation, cost competitiveness and on its distribution network. The company also plans to leverage synergy between storage media and entertainment businesses.

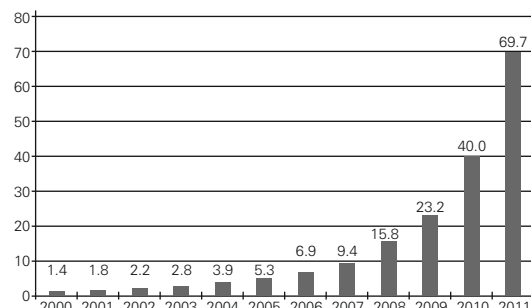
## SOLAR PHOTOVOLTAIC

### PHOTOVOLTAIC (PV) INDUSTRY

During 2011-12, the global solar industry continued its remarkable growth trend, experiencing robust growth in volumes amid the financial and economic crisis and exceeded the forecasts of industry experts. As per the European Photovoltaic Industry Association (EPIA), the total annual PV installations grew by over 75% y-o-y to reach **29.7 GW** in 2011. Cumulative PV installations rose to 69.7 GW worldwide till 2011 end from under 40 GW till 2010 end.

The Indian PV market too witnessed strong growth on the back of the National Solar Mission and the State Solar policies resulting in close to 1 GW of PV installations by the end of FY'2012.

Evolution of Global Cumulative Installed PV Capacity - 2000-2011 (Figures in GW)



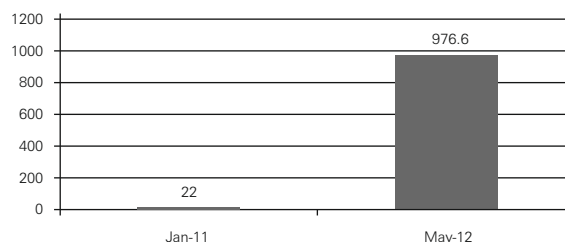
Source: European Photovoltaic Industry Association

Global solar photovoltaic market has recently seen a huge supply addition, on account of massive capacity built up in China, outstripping the demand growth, particularly in the lower to medium module efficiency segment. This has led to decline in solar PV module prices to historically low levels. PV manufacturers globally were deeply impacted by this challenged scenario resulting in lower capacity utilizations across the industry. This situation led to the initiation of antidumping proceeding in key markets, such as the US and European Union, against imports from certain regions. In India too, industry players are demanding imposition of duties on cheap PV imports from certain countries.

### Indian Solar Market:

The Indian solar industry witnessed remarkable installation growth during the financial year, with installed PV capacity reaching close to 1 GW by the end of FY'2012, up from under 100 MW of capacity at the end of 2010.

### PV Generation Capacity (In MW)



Source: Bridge To India Report-2012/Company

Growth is expected to be accentuated as the Indian Solar market is fast approaching grid parity. Competitiveness of the solar power vis-à-vis conventional energy in the Indian market increased with the average tariff during Batch II Phase I of the JNNSM in December 2011 declining to INR 8.77/unit. This is comparable with peak energy rates in the country. As per the latest MNRE estimates, solar power is likely to attain grid parity in India by 2017 ahead from the earlier estimates of 2022. The arrival of grid parity would mark an important event for the Indian solar industry resulting in preference for the clean energy over conventional sources of energy thereby providing a huge boost to the industry. The widespread July 2012 electricity blackout further highlighted the need to install more solar energy sources as part of the grid.



### Progress under National Solar Mission

Over 260 MW of PV systems have been commissioned under Phase I of National Solar Mission; another 340 MW of PV projects under Batch II Phase I are targeted to be completed by February 2013. These installations comprise 'Grid connected' as well as 'Rooftop/ Off-grid' projects.

Progress of Phase I- Batch II is also on track with 27 of 28 companies having managed to achieve financial closure. Further, Phase II of the National Solar Mission is expected to be launched by the end of December 2012 with the government likely to auction one third of the total 3,000 MW projects planned by 2017 in Phase II – Batch I.

### Projects under State Solar Policies

In addition to the National Solar Mission, several states have launched their respective solar policies aimed at promoting this abundantly available source of green energy in their regions.

In Gujarat, PPA's were signed for 968.5 MW of solar projects, out of which 680 MW have already been connected to the grid. Maharashtra has announced programmes with 205 MW installations, followed by Rajasthan with announcements of a total of 200 MW solar projects. In Q1 CY 2012, the state of Tamil Nadu announced as a part of its solar mission an intention to add 3 GW of solar energy by 2015-16.

Madhya Pradesh has approved a new solar energy policy to set up four solar parks of 200 MW each in Public Private Partnership. Bihar has shortlisted proposals for 198 MW of solar power projects.

### REC Mechanism

The REC mechanism — that allows obligated entities, such as distribution companies, captive consumers and open access users, to meet their RPO obligations — gained momentum in 2011 with the commencement of trading of non-solar RECs on power exchanges in 2011. The solar RECs started trading on the power exchanges from May 2012 with demand currently outstripping the supply.

Starting at 0.25% of total power consumption, the government has set the Solar Power Obligation (SPO) to be increased to 3% of the total power consumption by 2022 under the National Solar Mission guidelines. This would lead to strong demand for solar power, a part of which would be met by the REC mechanism fuelled by demand from states or regions with lower generation potential of solar power. The recent push by regulatory bodies backed by the judicial pronouncements for obligated entities to meet their renewable obligations is likely to result in greater enforcement of the RPO obligations. As per the MNRE estimates, demand for solar power required to meet SPOs is likely to reach about 30 GW in 2022.

Despite the solar PV installation growth, the Indian PV manufacturing environment was adversely impacted by the global oversupply situation and dumping of panels by Chinese and other foreign players resulting in significantly lower utilization levels across all the industry players.

While the Indian Solar market has witnessed strong growth over the last one year, future growth would require continual policy support under the JNNSM, increase in stimulus from individual states in India as well as higher level of financing for solar projects.

The Indian PV manufacturing industry as well, requires strong policy stimuli in order to compete with cheap PV imports from China and other destinations and to create a robust manufacturing base to meet the needs of the domestic solar industry in India.

Project financing is another challenge currently being faced by the Indian solar market with several projects getting delayed due to the lack of financing thereby resulting in economic losses for the developers. However this mechanism is expected to contribute in improving the funding potential of solar projects.

The Domestic Content Requirement in the National Solar Mission has also not yet benefited the Indian solar manufacturers due to the exclusion of Thin Film products. However, policy initiatives are underway which are expected to promote Indian Solar manufacturing in the near future.

### **MOSER BAER'S PV BUSINESS**

Moser Baer's solar PV business is well positioned across the Solar PV value chain to face the difficult market conditions, and exploit the opportunities provided by the fast growing Indian solar market. The business has a PV cell and module capacity of ~200MW across multiple technologies, apart from a strong base in executing solar EPC projects.

However, in the immediate short term, capacity utilization levels were significantly low, on account of dumping of panels at extremely low prices by Chinese and other players, similar to the situation faced by all domestic manufacturers.

During the financial year, we maintained our focus on Solar EPC business, quality standards, and R&D activities. Our continued focus on maintaining high quality standards resulted in us being conferred with the prestigious "5 Star Rating" Certificate by TÜV Rheinland (Germany) for maintaining the highest standards of Quality in manufacturing for third consecutive year in a row, making us the only Solar Company in the world to achieve this distinction.

In November 2011, Moser Baer Solar became the first solar PV manufacturing company to be accredited with 'Green Leaf Mark' certification by Intertek Semko AB, indicating conformance in meeting with global RoHS requirements.

Our R&D activities continuously focus at developing high quality cost effective differentiated products for our customers, to create sustainable competitive advantage for the company.

#### Key Achievements - Solar EPC Business

Moser Baer is one of the leading solar focused EPC players in the Indian market and has been awarded very high grade rating by MNRE CRISIL for its Project Execution capability. During the financial year, our Solar EPC business made tremendous progress with 110 MW of projects executed.

We have developed strong expertise in the Solar EPC domain with installations across technologies. Moreover, we have executed projects with sizes ranging from 1 KW to 30 MW. We have the capabilities of executing projects across different and difficult environment and terrains. The critical mass of projects that we have set-up provides us the confidence that we can execute any type of project in record time with our experience.

The key projects executed during the year include Asia's largest Solar farm (at the time of commissioning) the 30 MW farm commissioned in Gujarat in October 2011. Moser Baer provided Project Management Services for the farm. In November 2011, we commissioned the 5 MW solar farm at Jodhpur, Rajasthan under the migration scheme of the National Solar Mission. Spread over a rocky terrain, the project posed unusual challenges and required special engineering solutions. This project will generate approximately nine million units of electricity per annum. All these projects executed by us are currently operating at benchmark energy levels based on preliminary data.

During 2011-12, impacted by the severe crisis in the global PV industry that affected manufacturers across regions, Moser Baer's PV subsidiaries 'MBPV' and 'MBSL' were assessed by lenders for restructuring their debt obligations aimed at optimizing their current resources and aligning their expected future cash flows with current debt obligations, and accordingly were referred to the CDR cell for restructuring of their debt obligations under the CDR mechanism.

#### OUTLOOK

Despite the current short term challenges, long term potential of the solar PV industry remains intact with emergence of markets like North America, Japan, China and India as the key growth drivers in future. In the long term, the PV market is expected to grow rapidly. As per the McKinsey report 'Solar Power: Darkest before Dawn', the global PV industry is likely to witness additional installations between 400-600 GW during 2012-2020.

As per KPMG estimates, the Indian market has huge potential and is estimated to reach cumulative installations of 68 GW by 2021-22, which is significantly in excess of the targets set under the National Solar Mission.

The Chinese market is bolstered by the 21 GW target of cumulative capacity to be developed by 2015. Both the US and Japan solar markets are set to grow manifolds with increased reliance on the green technology.

We continue to focus on R&D activities at our Greater Noida and Eindhoven facilities with emphasis on improvement in device efficiency leading to higher wattage per module and hence lower levelized cost of energy. We have already demonstrated 18% efficiency in p-type (mono) solar cells in the R&D laboratory. We have also made proof of concept demonstration of ~19% efficiency in Crystalline Silicon hetero-Junction solar cells at R&D level.

In the medium to long term, we expect that our executed EPC project portfolio, experience of handling varied projects and sourcing capabilities will give us an edge in tapping the burgeoning opportunities in the Indian Solar market. Grid parity and policy advocacy are further expected to accentuate the growth.

We are currently working on our strategy to leverage our existing infrastructure and assets through upgrades/ partnerships and on device efficiency improvements.

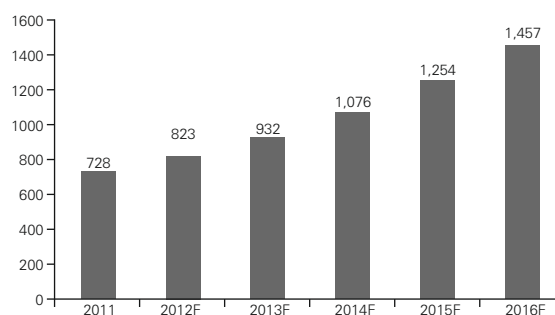
We believe the one our future business strategy, strong R&D capabilities, presence across the solar value chain, experience in the fast growing Indian PV market and broad geographical presence. Restructuring of our debt obligations under the CDR mechanism and policy support to stimulate PV manufacturing industry in India would further support our growth strategy.

#### ENTERTAINMENT

##### ENTERTAINMENT INDUSTRY

In 2011, The Indian Media & Entertainment (M&E) industry witnessed growth of 12% y-o-y to reach INR 728 billion on account of strong consumption in Tier 2 and Tier 3 cities, continued growth of regional media and rapidly increasing new media businesses.

**Indian M&E Industry Size (INR Billion)**



Source: FICCI KPMG Report 2012

The 'Films' segment within the Entertainment industry witnessed strong growth during the year increasing by 11.5 percent Y-o-Y to reach INR 93 billion in 2011.

##### MOSER BAER'S ENTERTAINMENT BUSINESS

Moser Baer's Entertainment business continues to dominate the home entertainment space with large number of titles in most Indian languages and a unique business model of providing high quality large variety content at reasonable prices to the Indian consumer. The company has created a wide distribution set-up aimed at making its entertainment offerings available across the country.