

**MOSCHIP SEMICONDUCTOR TECHNOLOGY LIMITED**

**UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER & SIX MONTHS ENDED 30 SEPTEMBER 2011**

(Rs. In Lakhs)

		Quarter ended 30 September		Six months ended 30 September		Year ended 31 March
		2011	2010	2011	2010	2011
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales/Income from Operations	794.62	812.47	1,387.15	1,274.15	2,707.70
2	Other Income	0.37	0.14	0.95	0.28	0.74
3	<b>Total Income (1+2)</b>	<b>794.99</b>	<b>812.62</b>	<b>1,388.10</b>	<b>1,274.43</b>	<b>2,708.44</b>
4	Expenditure					
	a. Increase/ decrease in stock in trade and work in progress	696.04	(40.19)	(289.37)	106.11	224.63
	b. Consumption of raw materials	0.00	0.00	0.00	0.00	0.00
	c. Purchase of traded goods	4.24	432.28	1,261.66	537.93	1,135.75
	d. Employee cost	254.08	260.54	445.00	490.82	975.17
	e. Depreciation	57.56	126.49	162.84	265.13	486.14
	f. Other expenditure	86.53	214.95	189.49	307.72	619.17
	g.Total	1,098.45	994.07	1,769.62	1,707.71	3,440.86
5	Interest	85.32	50.27	138.26	93.56	221.38
6	Exceptional items (See Note No.5)	(659.03)	0.14	(659.03)	1.93	3.97
7	<b>Profit Before (+) / Loss (-) from Ordinary Activities before tax (3)-(4+5+6)</b>	<b>270.25</b>	<b>(231.86)</b>	<b>139.25</b>	<b>(528.77)</b>	<b>(957.77)</b>
8	Tax Expense	0.00	0.00	0.00	0.00	0.00
9	<b>Net Profit (+) / Loss (-) from Ordinary Activities after tax (7-8)</b>	<b>270.25</b>	<b>(231.86)</b>	<b>139.25</b>	<b>(528.77)</b>	<b>(957.77)</b>
10	Extraordinary / Prior Period Items	0.00	0.03	0.17	0.17	0.17
11	<b>Net Profit (+) / Loss (-) for the period (9-10)</b>	<b>270.25</b>	<b>(231.89)</b>	<b>139.08</b>	<b>(528.94)</b>	<b>(957.94)</b>
12	Paid-up equity share Capital (Face value Rs. 10/- each)	4,603.55	4,603.55	4,603.55	4,603.55	4,603.55
13	Reserves excluding revaluation reserves	NA	NA	NA	NA	6,758.73
14	Earnings Per Share (Not Annualised) Rs.					
	a) Before Extraordinary and Prior Period Items					
	Basic	0.59	(0.50)	0.30	(1.15)	(2.08)
	Diluted	0.59	(0.50)	0.30	(1.15)	(2.08)
	a) After Extraordinary and Prior Period Items					
	Basic	0.59	(0.50)	0.30	(1.15)	(2.08)
	Diluted	0.59	(0.50)	0.30	(1.15)	(2.08)
15	Public shareholding					
	No. of Shares	37,434,548	37,397,642	37,434,548	37,397,642	37,434,548
	% of Shareholding	81.32%	81.24%	81.32%	81.24%	81.32%
16	Promoters and Promoter group shareholding					
	a) Pledged/Encumbered					
	- Number of Shares	Nil	Nil	Nil	Nil	Nil
	- Percentage of Share (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil
	b) Non-encumbered					
	- Number of Shares	8,600,969	8,637,875	8,600,969	8,637,875	8,600,969
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	18.68%	18.76%	18.68%	18.76%	18.68%

**Notes:**

The above results are after consolidating the results of the Company with its wholly owned subsidiary MosChip Semiconductor Technology,USA

**Statement of Assets and Liabilities (Consolidated)**

Particulars	As at 30.09.2011	As at 30.09.2010
	Unaudited	Unaudited
<b>SHAREHOLDERS' FUNDS:</b>		
(a) Capital	4,603.55	4,603.55
(b) Reserves and Surplus	6,882.55	6,746.89
<b>LOAN FUNDS</b>	500.87	1,771.70
<b>TOTAL</b>	<b>11,986.97</b>	<b>13,122.14</b>
<b>FIXED ASSETS</b>	493.54	939.71
<b>INVESTMENTS</b>	1.47	1.35
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
(a) Inventories	400.48	416.27
(b) Sundry Debtors	630.98	328.59
(c) Cash and Bank balances	779.41	96.08
(d) Other current assets	1.72	2,360.22
(e) Loans and Advances	167.24	197.07
Less: Current Liabilities and Provisions		
(a) Liabilities	(145.51)	(607.10)
(b) Provisions	(81.40)	(59.18)
<b>PROFIT AND LOSS ACCOUNT</b>	9,739.04	9,449.13
<b>TOTAL</b>	<b>11,986.97</b>	<b>13,122.14</b>

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER & SIX MONTHS ENDED 30 SEPTEMBER 2011

(Rs. In Lakhs)

		Quarter ended 30 September		Six months ended 30 September		Year ended 31 March
		2011	2010	2011	2010	2011
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales/Income from Operations	175.74	697.53	885.36	997.10	2,478.84
2	Other Income	0.37	0.64	0.94	5.04	5.48
3	<b>Total Income (1+2)</b>	<b>176.11</b>	<b>698.17</b>	<b>886.30</b>	<b>1,002.14</b>	<b>2,484.32</b>
4	Expenditure					
	a. Increase/ decrease in stock in trade and work in progress	0.00	0.00	0.00	0.00	0.00
	b. Consumption of raw materials	0.00	0.00	0.00	0.00	0.00
	c. Purchase of traded goods	0.00	337.24	433.46	404.57	504.50
	d. Employee cost	175.21	177.82	301.79	352.80	675.84
	e. Depreciation	14.62	22.13	28.86	48.22	83.01
	f. Other expenditure	35.74	148.69	98.48	188.85	1,110.41
	g. Total	225.57	685.88	862.60	994.44	2,373.76
5	Interest	80.16	39.80	123.03	72.81	180.35
6	Exceptional items (See Note No.6)	1,949.30	0.00	1,949.30	0.00	1.30
7	<b>Profit Before (+) / Loss (-) from Ordinary Activities before tax (3)-(4+5+6)</b>	<b>(2,078.92)</b>	<b>(27.51)</b>	<b>(2,048.64)</b>	<b>(65.11)</b>	<b>(71.09)</b>
8	Tax Expense	0.00	0.00	0.00	0.00	0.00
9	<b>Net Profit (+) / Loss (-) from Ordinary Activities after tax (7-8)</b>	<b>(2,078.92)</b>	<b>(27.51)</b>	<b>(2,048.64)</b>	<b>(65.11)</b>	<b>(71.09)</b>
10	Extraordinary / Prior Period Items	0.00	0.03	0.17	0.17	0.17
11	<b>Net Profit (+) / Loss (-) for the period (9-10)</b>	<b>(2,078.92)</b>	<b>(27.54)</b>	<b>(2,048.81)</b>	<b>(65.28)</b>	<b>(71.26)</b>
12	Paid-up equity share Capital (Face value Rs. 10/- each)	4,603.55	4,603.55	4,603.55	4,603.55	4,603.55
13	Reserves excluding revaluation reserves	NA	NA	NA	NA	NA
14	Earnings Per Share (Not Annualised) Rs.					
	a) Before Extraordinary and Prior Period Items					
	Basic	(4.52)	(0.06)	(4.45)	(0.14)	(0.15)
	Diluted	(4.52)	(0.06)	(4.45)	(0.14)	(0.15)
	a) After Extraordinary and Prior Period Items					
	Basic	(4.52)	(0.06)	(4.45)	(0.14)	(0.15)
	Diluted	(4.52)	(0.06)	(4.45)	(0.14)	(0.15)
15	Public shareholding					
	No. of Shares	37,434,548	37,397,642	37,434,548	37,397,642	37,434,548
	% of Shareholding	81.32%	81.24%	81.32%	81.24%	81.32%
16	Promoters and Promoter group shareholding					
	a) Pledged/Encumbered					
	- Number of Shares	Nil	Nil	Nil	Nil	Nil
	- Percentage of Share (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil
	b) Non-encumbered					
	- Number of Shares	8,600,969	8,637,875	8,600,969	8,637,875	8,600,969
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	18.68%	18.76%	18.68%	18.76%	18.68%

Statement of Assets and Liabilities (Standalone)

Particulars	As at 30.09.2011	As at 30.09.2010
	Unaudited	Unaudited
<b>SHAREHOLDERS' FUNDS:</b>		
(a) Capital	4,603.55	4,603.55
(b) Reserves and Surplus	6,734.42	6,734.42
<b>LOAN FUNDS</b>	500.87	1,434.12
<b>TOTAL</b>	<b>11,838.84</b>	<b>12,772.09</b>
<b>FIXED ASSETS</b>	308.77	374.52
<b>INVESTMENTS</b>	1,355.79	3,755.79
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
(a) Inventories	-	-
(b) Sundry Debtors	956.15	653.58
(c) Cash and Bank balances	124.31	58.01
(d) Other current assets	1.72	2.04
(e) Loans and Advances	135.46	585.19
Less: Current Liabilities and Provisions		
(a) Liabilities	(449.00)	(21.73)
(b) Provisions	(73.02)	(59.18)
<b>PROFIT AND LOSS ACCOUNT</b>	9,478.66	7,423.87
<b>TOTAL</b>	<b>11,838.84</b>	<b>12,772.09</b>

**Notes:**

1) MosChip Semiconductor Technology, USA (MosChip USA) is a wholly owned subsidiary of the Company. It has reported a total revenue of US \$ 1,626,167.11 for the quarter ended 30 September 2011 out of which US\$ 1,341,083.93 is towards sale of its I/O division products at cost, as per the sale agreement entered on 24th June 2011. Consolidated total income for the quarter was Rs.794.99 Lakhs

2) The Company's business activity falls within a single primary business segment i.e., software development and product sales and hence furnishing of segment wise revenue, results and capital employed is not applicable.

3) The Company has accumulated losses of Rs.742,984,745/- as on 31 March 2011.

4) Qualification in audit report for the year ended 31 March 2011 and Board's opinion :

"In the Balance Sheet, an amount of Rs 375,579,087/- is being reflected as investment made by the company in its wholly owned unlisted subsidiary company MosChip Semiconductor Technology, USA (formerly NetMos Technology Inc, USA). The investment is being carried at cost. The subsidiary company has a negative networth as per the audited financial statements as at March 31, 2011. No provision has been made by the company for the erosion in value of this investment."

"The Board is of the opinion that the difference between the investment amount and the networth amount of MosChip Semiconductor Technology, USA, at book value, as on 31 March 2011 is not a reflection in the diminution of the value of the investment. The fair market value of MosChip USA, which is based on expected future cash flows over several years and other intangible assets (intellectual property developed and owned by it, the international distribution network, customer base, foundry relationships, etc.), is much higher than its book value. The book value does not capture the real intrinsic worth of an investment. The decline in fair market value of investment in MosChip USA, if any, is temporary in nature and hence no provision has been made in the books of accounts.

If the Company were to write off the difference as indicated in the audit qualification referred to in para (3) above the net loss would have been higher by Rs.375,579,087/-"

The above qualification in the Audit report and the Board's opinion thereon should be read with the Note no.6 below.

5) The exceptional Items in consolidated results consist of : 1) Rs.450.70 Lakhs revenue towards sale of Moschip India's I/O division IPRs 2) Rs. 2678.76 Lakhs revenue towards sale of the I/O division IPRs and Assets held by its 100% Subsidiary in USA 3) Obsolete Material discarded worth of Rs.70.43 Lakhs by Moschip USA 4) Impairment loss on Goodwill of Rs.2400.00 Lakhs pertaining to the investment made by Moschip India in its 100% wholly owned Subsidiary of Moschip USA. This impairment loss was due to changes in underlying business conditions of Moschip USA.

6) The exceptional Items in Standalone results consist of Rs.450.70 Lakhs revenue towards sale of Moschip India's I/O division IPRs and a diminution of Rs. 2400.00 Lakhs to the carrying cost of investment in Moschip USA which is 100% subsidiary of Moschip India This diminution loss was due to changes in underlying business conditions of Moschip USA. The charge on account of diminution has been determined on the basis of the Moschip USA's Net Worth as on 30th Sep 2011.

7) Other Income includes interest on term deposits with banks and capital gains on mutual funds debt schemes

8) Details of investor's complaints/requests for the quarter ended 30 Sep 2011: Opening Balance : Nil ; Received during the quarter: Nil; Disposed off during the quarter: Nil; Pending at the end of the quarter: Nil.

9) The above unaudited results were reviewed by Audit Committee and approved by the Board of Directors at their meeting held on 04 November 2011.

10) The Statutory Auditors have carried out a limited review of the Un-audited financial results of the Company (Standalone) for the quarter ended 30 September 2011.

11) Previous quarter/year figures have been regrouped / reclassified wherever necessary.

Hyderabad  
4-Nov-11

K Ramachandra Reddy  
Chairman&CEO

**Note : The Standalone results will be available at Company's website on [www.moschip.com](http://www.moschip.com) and BSE website(Script code 532407)**