

MOSCHIP SEMICONDUCTOR TECHNOLOGY LIMITED

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED 31 DECEMBER 2011

(Rs. In Lakhs)

		3 Months	Previous 3	Corresponding 3	Nine months ended 31		Year ended 31
		Ended	Months Ended	Months Ended in the Previous Year	December		March
		31.12.2011	30.09.2011	31.12.2010	2011	2010	2011
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales/Income from Operations (Excluding Inter.co. Revenue)	72.30	794.62	780.92	1,459.45	2,055.07	2,707.70
2	Other Income	1.18	0.37	0.14	2.13	0.43	0.74
3	Total Income (1+2)	73.48	794.99	781.06	1,461.58	2,055.50	2,708.44
4	Expenditure						
	a. Increase/ decrease in stock in trade and work in progress	7.25	696.04	(18.85)	413.93	87.26	224.63
	b. Consumption of raw materials	0.00	0.00	0.00	0.00	0.00	0.00
	c. Purchase of traded goods	0.00	4.24	418.32	565.62	956.26	1,135.75
	d. Employee cost	201.41	254.08	263.17	646.41	753.99	975.17
	e. Depreciation	14.17	57.56	112.67	177.01	377.80	486.14
	f. Other expenditure	58.79	86.53	159.21	248.27	466.93	619.17
	g.Total	281.62	1,098.45	934.53	2,051.24	2,642.24	3,440.86
5	Interest	15.37	85.32	51.27	153.63	144.83	221.38
6	Exceptional items (See Note No.6)	21.61	(659.03)	0.51	(637.42)	2.45	3.97
7	Profit Before (+) / Loss (-) from Ordinary Activities before tax (3)-(4+5+6)	(245.13)	270.25	(205.25)	(105.88)	(734.02)	(957.77)
8	Tax Expense	67.33	0.00	0.00	67.33	0.00	0.00
9	Net Profit (+) / Loss (-) from Ordinary Activities after tax (7-8)	(312.46)	270.25	(205.25)	(173.21)	(734.02)	(957.77)
10	Extraordinary / Prior Period Items	0.00	0.00	0.00	0.17	0.17	0.17
11	Net Profit (+) / Loss (-) for the period (9-10)	(312.46)	270.25	(205.25)	(173.38)	(734.20)	(957.94)
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	4,603.55
13	Reserves excluding revaluation reserves	NA	NA	NA	NA	NA	6,758.73
14	Earnings Per Share (Not Annualised) Rs.						
	a) Before Extraordinary and Prior Period Items						
	Basic	(0.69)	0.59	(0.44)	(0.38)	(1.59)	(2.08)
	Diluted	(0.69)	0.59	(0.44)	(0.38)	(1.59)	(2.08)
	a) After Extraordinary and Prior Period Items						
	Basic	(0.69)	0.59	(0.44)	(0.38)	(1.59)	(2.08)
	Diluted	(0.69)	0.59	(0.44)	(0.38)	(1.59)	(2.08)
15	Public shareholding						
	No. of Shares	37,602,449	37,434,548	37,397,642	37,602,449	37,397,642	37,434,548
	% of Shareholding	81.68%	81.32%	81.24%	81.68%	81.24%	81.32%
16	Promoters and Promoter group shareholding						
	a) Pledged/Encumbered						
	- Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of Share (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	b) Non-encumbered						
	- Number of Shares	8,433,068	8,600,969	8,637,875	8,433,068	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	100
	- Percentage of shares (as a % of the total share capital of the company)	18.32%	18.68%	18.76%	18.32%	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

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER & NINE MONTHS ENDED 31 DECEMBER 2011

(Rs. In Lakhs)

		3 Months	Previous 3	Corresponding 3	Nine months ended 31		Year ended 31
		Ended	Months Ended	Months Ended in	December		March
		31.12.2011	30.09.2011	31.12.2010	2011	2010	2011
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales/Income from Operations	213.82	175.74	611.53	1,099.18	1,608.63	2,478.84
2	Other Income	1.18	0.37	0.14	2.12	5.18	5.48
3	Total Income (1+2)	215.00	176.11	611.67	1,101.30	1,613.81	2,484.32
4	Expenditure						
	a. Increase/ decrease in stock in trade and work in progress	0.00	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	0.00
	c. Purchase of traded goods	0.00	0.00	289.29	433.46	693.86	504.50
	d. Employee cost	166.10	175.21	174.51	467.90	527.31	675.84
	e. Depreciation	14.01	14.62	18.62	42.88	66.84	83.01
	f. Other expenditure	36.78	35.74	104.54	135.25	293.40	1,110.41
	g. Total	216.90	225.57	586.97	1,079.50	1,581.41	2,373.76
5	Interest	15.37	80.16	41.18	138.40	113.99	180.35
6	Exceptional items (See Note No.7)	0.00	1,949.30	0.00	1,949.30	0.00	1.30
7	Profit Before (+) / Loss (-) from Ordinary Activities before tax (3)-(4+5+6)	(17.27)	(2,078.92)	(16.49)	(2,065.91)	(81.59)	(71.09)
8	Tax Expense	0.00	0.00	0.00	0.00	0.00	0.00
9	Net Profit (+) / Loss (-) from Ordinary Activities after tax (7-8)	(17.27)	(2,078.92)	(16.49)	(2,065.91)	(81.59)	(71.09)
10	Extraordinary / Prior Period Items	0.00	0.00	0.00	0.17	0.17	0.17
11	Net Profit (+) / Loss (-) for the period (9-10)	(17.27)	(2,078.92)	(16.49)	(2,066.08)	(81.77)	(71.26)
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	4,603.55
13	Reserves excluding revaluation reserves	NA	NA	NA	NA	NA	NA
14	Earnings Per Share (Not Annualised) Rs.						
	a) Before Extraordinary and Prior Period Items						
	Basic	(0.04)	(4.52)	(0.04)	(4.49)	(0.18)	(0.15)
	Diluted	(0.04)	(4.52)	(0.04)	(4.49)	(0.18)	(0.15)
	a) After Extraordinary and Prior Period Items						
	Basic	(0.04)	(4.52)	(0.04)	(4.49)	(0.18)	(0.15)
	Diluted	(0.04)	(4.52)	(0.04)	(4.49)	(0.18)	(0.15)
15	Public shareholding						
	No. of Shares	37,602,449	37,434,548	37,397,642	37,602,449	37,397,642	37,434,548
	% of Shareholding	81.68%	81.32%	81.24%	81.68%	81.24%	81.32%
16	Promoters and Promoter group shareholding						
	a) Pledged/Encumbered						
	- Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of Share (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	b) Non-encumbered						
	- Number of Shares	8,433,068	8,600,969	8,637,875	8,433,068	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	100
	- Percentage of shares (as a % of the total share capital of the company)	18.32%	18.68%	18.76%	18.32%	18.76%	18.68%

Notes:

- 1) During the Quarter ended 30.09.2011 the Company has sold its I/O Division. The revenue in consolidated results of quarter ended 30.09.2011 included I/O division product sale at cost amounting to USD1,341,083.93. In view of the above, revenues for the quarter are not comparable with the earlier quarter as well as with the corresponding quarter of last year.
- 2) MosChip Semiconductor Technology, USA (MosChip USA) is a wholly owned subsidiary of the Company. It has reported a total revenue of US \$ 51,260.62 for the quarter ended 31 December 2011 out of which US\$ 15,258.98 is towards sale of products. Consolidated total income for the quarter was Rs.73.48 Lakhs
- 3) 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.
- 4) The Company has accumulated losses of Rs.742,984,745/- as on 31 March 2011.
- 5) 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.7 below.
- 6) The exceptional Items in consolidated results for the Nine Months ended 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.92.04 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.
- 7) The exceptional Items in Standalone results for the Nine Months ended 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.
- 8) The exceptional Item in December 2011 quarter consolidated results consist of Obsolete Material discarded worth of Rs.21.61 Lakhs by Moschip USA
- 9) During this quarter Company has incorporated a 100% wholly owned Subsidiary in Singapore named Moschip Semiconductor Technology PTE Limited. No transactions were recorded in this quarter.
- 10) Other Income includes interest on term deposits with banks and capital gains on mutual funds debt schemes
- 11) Details of investor's complaints/requests for the quarter ended 31 Dec 2011: Opening Balance : Nil ; Received during the quarter: Nil; Disposed off during the quarter: Nil; Pending at the end of the quarter: Nil.
- 12) The above unaudited results were reviewed by Audit Committee and approved by the Board of Directors at their meeting held on 13 February 2012.
- 13) The Statutory Auditors have carried out a limited review of the Un-audited financial results of the Company (Standalone) for the quarter ended 31 December 2011.
- 14) Previous quarter/year figures have been regrouped / reclassified wherever necessary.

Hyderabad
13-Feb-12

K Ramachandra Reddy
Chairman&CEO