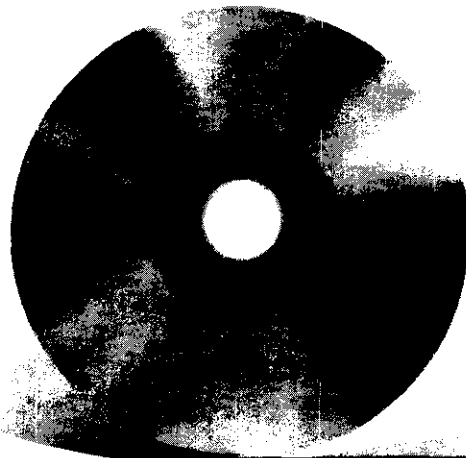


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MOSER BAER INDIA LTD.

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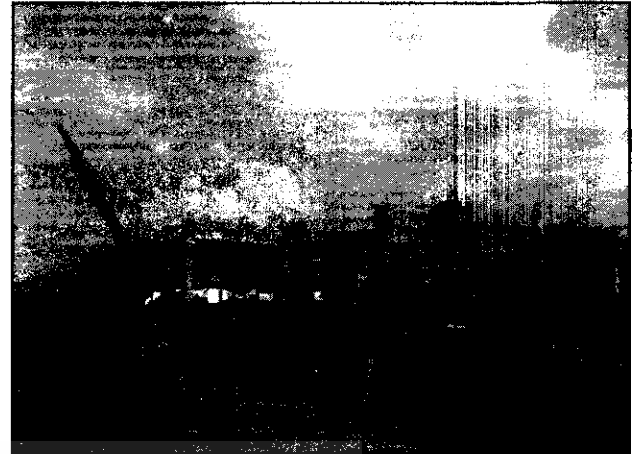
Perseverance Behind Perfection

①

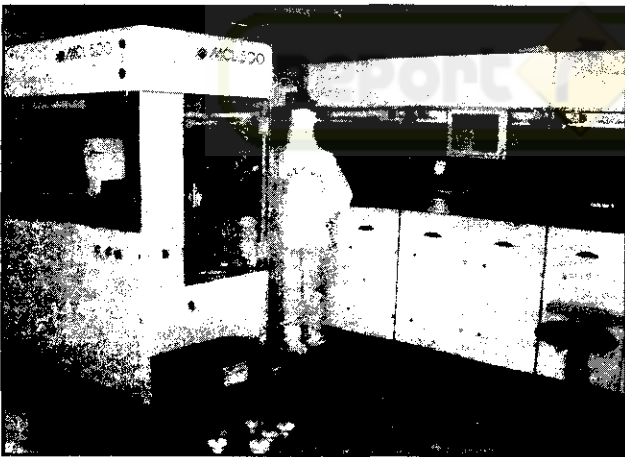


1&2. > A view of the new Recordable Optical Media plant under construction

②

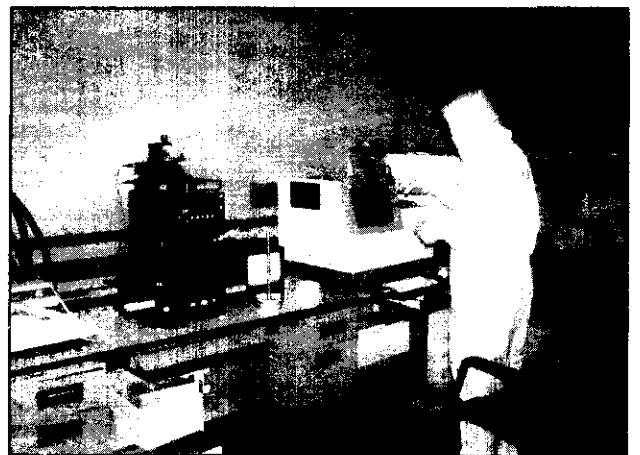


③



3.> Recordable Optical Media finishing line

④



4.> Recordable Optical Media Research and Development Laboratory

MOSER BAER INDIA LIMITED

Can I partly dematerialise my shareholding?

Yes. The Shareholding can be dematerialised either fully or partly as desired.

Can I pledge my shares for a loan when the shares are dematerialised?

Yes, you can pledge your shareholding in the electronic form in favour of the lending institution by applying to your DP in the prescribed form. After repayment of the loan, which is secured by the pledge, you can request for redemption of the pledge, by applying to your DP.

What benefit do I derive by dematerialising the share certificate?

As already stated, when the shares are bought through the Depository System, the shares are credited to your account with the DP. Thus, you are relieved of problems like bad delivery, fake certificates, shares under litigation, signature difference of transferor(s), etc. Besides, there is no need to fill a transfer form for transfer of shares and affix share transfer stamps. There will, however, be a nominal fee to be paid to the DP. There is saving in time and cost on account of elimination of posting of certificates. Above all, the threat of loss of certificates or fraudulent interception of certificates in transit which has been causing lot of anxiety to the investor community in recent times, stand eliminated.

Can I revert to the system of share certificate?

You can revert to the system of shares certificates in respect of your shareholding in the electronic form when you so desire. The process of issue of share certificates in lieu of shareholding in electronic form is called Rematerialisation. All you need to do is to request your DP for rematerialisation and the share certificates would be made available to you within a period of 30 days.

Do I get my original share certificate?

No. As the share certificates on dematerialisation are cancelled you will not receive the same share certificate on rematerialisation. The share represented by dematerialised share certificates, are fungible and, therefore, certificate numbers and distinctive numbers become irrelevant.

How do I get Rights and Bonus shares when allotted?

In respect of shares held in the electronic form, the Rights/Bonus Shares are credited to your account with the DP, at your option.

How does the Company pay dividend on shares dematerialised?

The dividend warrants in respect of all shares, whether held in electronic form or by way of share certificates, are sent by the Company directly to the Shareholders whose names are on the Company's Register of Members or in the electronic form under the Depository System on the designated date to be notified by the Company.

How are transactions effected through the Depository?

After you open an account with a DP, you can buy or sell shares in the electronic form without share certificate or transfer forms, provided the seller/buyer also holds shares in the electronic form.

You can sell the shares in the depository mode through any share broker. All you need to do is to provide him the details of your account with the DP, with a delivery instruction to debit your share account with the number of shares sold by you. When you buy shares in the depository mode, you must, similarly, inform the broker about your depository account details so that the shares bought would be credited to your account with the DP.

We hope that we have been able to clarify some of your possible queries on the working of the Depository System of Share Registration.

Thanking you and assuring you of our best services at all times.

Yours Sincerely,
for MOSER BAER INDIA LIMITED

Sd/-

Company Secretary

MOSER BAER INDIA LIMITED**MOSER BAER INDIA LIMITED**

Regd. Office: 63, Ring Road,
Lajpat Nagar-III, New Delhi-110024
Phone Nos. : 6919413/5/7
Fax Nos.: 6849544/6838238
E-mail: moser@del2.vsnl.net.in

Dear Shareholder,

Depository System of Share Registration

It has been our endeavour to extend better services with consistent improvements and provide additional facility to shareholders. Keeping this as our objective, the Company has decided to participate in the depository system.

As you are aware, the present system of share trading and transfer of shares requires considerable paperworks involving share certificates, transfer deeds, affixing of stamps, correspondence with the Company and share brokers, besides time taken in mailing the share certificates to the Company for registration of transfer and return of the endorsed share certificates by the Company. The effort involved after the purchase of the Shares in getting the certificates endorsed in the buyer's name is indeed time consuming. There is also anxiety when the share certificates lodged for registration of transfer are not received within reasonable time, in view of the prevalent frauds in transit. The promulgation of the Depositories Act, 1996 and the consequent setting up of the country's first depository-National Securities Depository Limited (NSDL) is a step towards eliminating problems faced by the investor community.

Your Company, recognising the benefits available to the investors has entered into an agreement with NSDL to participate in the depository system of Share Registration in order to provide an option to the Shareholders to maintain their shareholding in electronic form by dematerialisation of the share certificates.

By this letter, we attempt to answer some of the questions that you may have in mind with regard to the depository form of share registration.

What is Depository System?

Depository System offers 'paperless' trading and transfer of shares through state-of-the art technology. It enables processing of share trading and transfers electronically without involving share certificates and transfers deeds, thus eliminating the paperwork involved in scrip-based trading and share transfer system.

Who is the Depository?

In India, the first depository system has been setup by NSDL. NSDL has been jointly promoted by IDBI, UTI and the National Stock Exchange. The functions of NSDL are regulated by the Securities and Exchange Board of India (SEBI).

How do I dematerialise the Share Certificates?

Dematerialisation is a process by which your share certificates are lodged with the Company through a Depository Participant. Depository Participant (DP) is an agent of NSDL approved by SEBI and acts as the representative of the shareholder. The Company after receiving the share certificates through the DP would after verifying the dematerialisation request, credit the account of NSDL with equivalent number of shares and NSDL, in turn credits the account of the Shareholder with the DP electronic holding. The process of dematerialisation would take around 15 days.

Who are the Depository Participants?

The Depository Participants are the link between the Shareholders, the Company and NSDL. Banks, Financial Institutions, Custodians, Stock Brokers, etc. can become DPs subject to their meeting certain requirements prescribed by NSDL and SEBI. NSDL publishes from time to time the list of DPs registered with them.

You can open your account with one or more DPs as you like. The procedure for opening an account with the Depository Participant is similar to opening a Saving Account with the Bank. After having opened the account, you can hold shares of a number of companies in your account, provided all such companies have entered the depository system.

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5.➤ Recordable Optical Media Substrata Conditioning Unit

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6.➤ Recordable Optical Media Organic Dye Laboratory

⑦



7.➤ 3.5" Floppy Disk Finishing Line

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8.➤ A view of the 3.5" Floppy Disk Facility


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1998-99
BOARD OF DIRECTORS

Mr. Deepak Puri
Managing Director

Mr. Harnam D. Wahi
Director

Mrs. Nita Puri
Whole Time Director

Mr. A.K. Choudhary
Director (Nominee-IFCI)

Mr. Bernard Gallus
Director

Mr. Robert O'Donnell
Director

Mr. Prakash Karnik
Director

SENIOR EXECUTIVES

Mrs. Minni Katariya
Company Secretary

Mr. D.P. Nanda
General Manager (Exports)

Mr. P. Sanat Kumar
General Manager (Sales & Coordination)

Mr. S. Rajalingam
General Manager (Projects)

Mr. Naresh Jand
General Manager (Finance)

Mr. Ratul Puri
General Manager (Business Development)

Mr. N.K. Chaudhary
Asst. General Manager (Project)

Mr. C. R. Nyati
Asst. General Manager (Production-CDR)

Mr. K.K. Khosla
Sr. Manager (Accounts)

Mr. N.K. Bhasin
Sr. Manager (Accounts)

Col. R.K. Luthra
Manager (HRD)

Mr. B.B. Arora
Manager (Works)

Mr. M.G. Mohana Kumar
Manager (Quality Control)

Mr. C.A. Krishna Kumar
Manager (Materials)

Mr. Naresh Bhardwaj
Manager (Finance)

REGISTERED & HEAD OFFICE

63, Ring Road, Lajpat Nagar-III,
New Delhi - 110 024.

PRINCIPAL AUDITORS

K.C. KHANNA & CO.
H-96, Connaught Circus,
New Delhi - 110 001

BANKERS

STATE BANK OF BIKANER & JAIPUR
G-72, Connaught Circus,
New Delhi - 110 001

STATE BANK OF TRAVANCORE
Travancore House, K.G. Marg
New Delhi - 110 001

STATE BANK OF SAURASHTRA
C-37, Connaught Circus
New Delhi - 110 001

INDIAN BANK
P-45/90, Connaught Circus,
New Delhi - 110 001

STATE BANK OF PATIALA
Overseas Branch
'Chandralok',
IInd Floor, 36, Janpath
New Delhi - 110 001

MOSER BAER INDIA LIMITED**BRANCH OFFICES**

ROTTERDAM	Varesweg, 85 3047 at Rotterdam, The Netherlands
MUMBAI	Union Co-operative Insurance Building, 1st Floor, 23, Sir P.M. Road, Mumbai - 400 001
CALCUTTA	16, British India Street, Calcutta - 700 001
BANGALORE	224, 1st Block, 4A Cross Hall III Stage, Thippasandra Bangalore - 560 075

WORKSFLOPPY DISKETTES:

PLANT I	DOMESTIC	B-17, Sector 9, Noida, Distt. Gautam Buddha Nagar (U.P.)
PLANT II	EXPORTS	66, Noida Export Processing Zone, Noida, Distt. Gautam Buddha Nagar (U.P.)

OPTICAL MEDIA RECORDABLE:

PLANT III	A-164, Sector 80, Phase-II. NOIDA
PLANT IV	B-4, Noida Export Processing Zone, Noida, Distt.-Gautam Buddha Nagar (U.P.)

MOSER BAER INDIA LIMITED

NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Company will be held on Thursday, 30th September, 1999 at 9.30 A.M. at Centaur Hotel, New Delhi-110037 to transact the following business :-

ORDINARY BUSINESS:-

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1999, Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Harnam D. Wahi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Bernard Gallus, who retires by rotation and being eligible, offers himself for re-appointment.

5. To consider re-appointment of Mr. Deepak Puri as a Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment :

"RESOLVED THAT pursuant to Article 119 of the Articles of Association of the Company, Mr. Deepak Puri be and is hereby re-appointed as a Director of the Company."

6. To consider re-appointment of Mrs. Nita Puri as a Director of the Company, who retires by rotation and being eligible, offers herself for re-appointment :

"RESOLVED THAT pursuant to Article 119 of the Articles of Association of the Company, Mrs. Nita Puri be and is hereby re-appointed as a Director of the Company."

7. To appoint Mr. Prakash Karnik as a non-rotational nominee Director of the Company.

"RESOLVED THAT pursuant to Article 90A of the Articles of Association of the Company, Mr. Prakash Karnik be and is hereby appointed as a non-rotational nominee Director of the Company."

8. To consider and, if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT consent of the Company be and is hereby accorded to re-appoint M/s K.C. Khanna & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to decide about the remuneration to be paid to the Auditors for this period."

SPECIAL BUSINESS :-

To consider and, if thought fit to pass with or without modifications, the following resolution :-

9. AS AN ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, and subject to approval from the Central Government, consent of the Company be and is hereby accorded to increase the remuneration of Mr. Ratul Puri, General Manager (Business Development) from Rs. 30,000/- per month to Rs. 50,000/- per month as per the following details w.e.f. 1st October, 1999 subject to the Central Government's approval :-

Constituents of Salary	Amount (In Rs.)
Basic Salary	22,500.00
House Rent Allowance	15,000.00
Conveyance Allowance	9,800.00
Provident Fund-Employer's Contribution	2,700.00
Total	50,000.00

10. AS A SPECIAL RESOLUTION

"RESOLVED THAT, pursuant to the provisions of Section 31 of the Companies Act, 1956, consent of the Company be and is hereby given to substitute the existing Article 127 in the Articles of Association of the Company with the following Article:-

127(a) :- The Seal, its custody and use :-

"The Board shall provide a Common Seal for the purpose of the Company, shall have the power to destroy the same and substitute a new Seal in lieu thereof and the Board shall provide for the safe custody of the Seal, which shall never be used except by the authority of the Board or a Committee of the Board previously given.

127 (b) :- Deeds how executed :-

Every deed or other instrument to which the Seal of the Company is required to be affixed may be signed by either of the following :-

- (i) Two Directors; or
- (ii) One Director and Company Secretary; or
- (iii) One Director and another official of the Company appointed by the Board; or
- (iv) Two officials of the Company appointed by the Board.

Provided that in respect of the Share Certificates, the Seal shall be affixed in accordance with Article 14 hereof.



MOSER BAER INDIA LIMITED

Any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same."

11. AS AN ORDINARY RESOLUTION

"RESOLVED THAT in supersession of the earlier resolution passed in the Extraordinary General Meeting of the Company held on 22nd January, 1998 and pursuant to the provisions of Section 293(1) (d) and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent to the Board of Directors for borrowing any sums of money from time to time from any one or more persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties, whether movable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertakings of the Company notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but, so however, that the total amount upto which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 500 Crores (Rupees Five Hundred Crores only)."

12. AS AN ORDINARY RESOLUTION

"RESOLVED THAT consent of the shareholders of the Company be and is hereby accorded under Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 for creation by the Board of Directors on behalf of the Company, of such mortgages / charges / hypothecation and floating charges (subject to mortgages / charges / hypothecation created / to be created in favour of the existing lenders) in such form and in such manner as may be agreed to between the Board of Directors and lenders on all or any of the immovable and / or movable properties of the Company, both present and future, of every nature and kind whatsoever and in pursuance of such mortgage to sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking(s) of the Company."

13. AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to Sections 80, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such permissions and consents as may be required, consent of the Company be and is hereby accorded to the Board of Directors to issue and allot :

Cumulative Redeemable Preference Shares for cash at par for an amount not exceeding Rs.75,000,000 (Rupees Seventy Five Million only) by way of Rights Issue and/or Public Issue and/or Preferential Allotment (such Issues shall be in accordance with the SEBI guidelines) or any combination thereof to :

- a) Shareholders of the Company on a Record Date to be fixed by the Board and in such proportion to the existing shareholding as may be decided by the Board of Directors; or
- b) Indian Public; or
- c) Permanent Employees of the Company; or
- d) Insurance Companies, Indian and/or Multilateral Development Financial Institutions, Indian Mutual Funds, Financial Institutions, Foreign Institutional Investors, Foreign Investment Funds, Indian and/or Foreign Banks, etc.; or
- e) Non Resident Indians, Overseas Corporate Bodies; or
- f) Promoters, Directors, their friends, relatives and associates; or
- g) Any other type or category of persons, institutions, authorities or sections, whether Indian or Foreign; or
- h) all or any combination of the aforesaid persons, institutions, sections, etc.

FURTHER RESOLVED THAT these Preference Shares will carry a cumulative dividend not exceeding 13% per annum and shall be redeemed at par at the end of three years from the date of allotment.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be required to be done in this regard."

Regd. Office :
63, Ring Road,
Lajpat Nagar III,
New Delhi - 110 024.

By order of the Board of Directors
for MOSER BAER INDIA LTD.

Date : September 3, 1999

Sd/-
COMPANY SECRETARY

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
2. The Explanatory Statement under Section 173 (2) of the Companies Act, 1956 is annexed hereto.

MOSER BAER INDIA LIMITED

3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 16th September, 1999 to Thursday, 30th September, 1999 (both days inclusive).
4. The dividend for the year 1998-99 as recommended by the Directors and if declared at the Annual General Meeting will be paid on or before 10th November, 1999 to those members whose names appear :
 - a) as beneficial owners as at the end of the business on 15th September, 1999, as per the list being furnished by National Securities Depository Limited in respect of the shares held in electronic form, and
 - b) as members in the Register of Members of the Company on 15th September, 1999.
5. All the documents relevant to the resolutions specified in the Notice are open for inspection by the members of the Company at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day.
6. Members are requested to communicate their change of address/ residential status, if any, quoting respective folio nos. to the Company at its registered office on or before Monday, 27th September, 1999.
7. Members / Proxies should bring the Attendance Slips duly filled in for attending the meeting.
8. Members desirous of getting any information about the Accounts and operations of the Company are requested to submit their queries addressed to the Company Secretary at least 7 days in advance of the meeting so that the information called for can be made available at the meeting.
9. Kindly bring your copies of the Annual Report to the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NOS. 5 AND 6

To comply with the provisions of Sections 255 and 256 of the Companies Act, 1956, recourse has been taken to the provisions of Article 119 of the Articles of Association, as a result of which, Mr. Deepak Puri, Managing Director and Mrs. Nita Puri, Whole Time Director retire at this Annual General Meeting and have offered themselves for re-appointment. The Board of Directors recommend these resolutions for approval by the shareholders. Except for Mr. Deepak Puri and Mrs. Nita Puri, none of the other Directors is concerned or interested in these resolutions.

ITEM NO. 7

Mr. Prakash Karnik was appointed as an Additional Director of the Company by the Board of Directors in its meeting held on 30th October, 1998. His term as an Additional Director of the Company expires at this Annual General Meeting and the Company has received a notice under Section 257 of the Companies Act, 1956 from a member signifying the intention

to propose the candidature of Mr. Prakash Karnik for the office of Director. The Board of Directors recommends this resolution for approval by the shareholders. Except for Mr. Prakash Karnik, none of the other Directors is concerned or interested in this resolution.

ITEM NO. 9

The shareholders of the Company had, in the 15th Annual General Meeting of the Company held on 30th September, 1998, given their approval to increase the remuneration of Mr. Ratul Puri, Manager (Business Development) from Rs. 19,900/- per month to Rs. 40,000/- per month. Subsequently, an application was filed in the office of Department of Company Affairs, Govt. of India, to seek Central Government's approval for the same but the Central Government gave its permission to pay him remuneration not exceeding Rs. 30,000/- per month w.e.f. 1st October, 1998.

Since then Mr. Ratul Puri has been elevated to the post of General Manager (Business Development) and in accordance with the current salary structure of the executives, it is proposed to increase his remuneration from Rs. 30,000/- per month to Rs. 50,000/- per month as per the following details:-

Constituents of Salary	Amount (In Rs.)
Basic Salary	22,500.00
House Rent Allowance	15,000.00
Conveyance Allowance	9,800.00
Provident Fund - Employer's Contribution	2,700.00
Total	50,000.00

The Board of Directors approved the increase in his remuneration in its meeting held on 3rd September, 1999. The approval of the shareholders is now sought pursuant to Proviso to Section 314(1)(b) of the Companies Act, 1956. The Company is also required to obtain approval from the Central Govt. for increasing his remuneration and this increase will be effective from 1st October, 1999 subject to the Central Government's approval. Except for Mr. Deepak Puri and Mrs. Nita Puri, none of the other Directors of the Company is concerned or interested in this resolution.

ITEM NO. 10

It is proposed to substitute the existing Article 127 in the Articles of Association of the Company with a new Article to simplify the procedure of executing the documents on which the Common Seal of the company is required to be affixed. The proposed change has already been approved by the Board of Directors in its meeting held on 3rd September, 1999 subject to approval of the shareholders. The same is now recommended for your approval.

None of the Directors is concerned or interested in the aforesaid resolution.