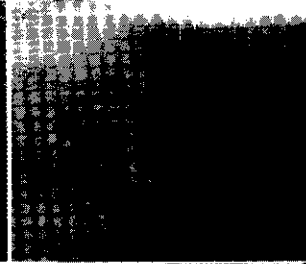
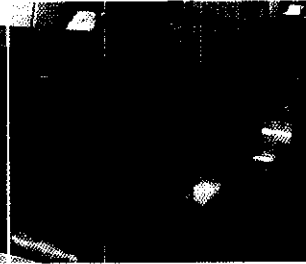
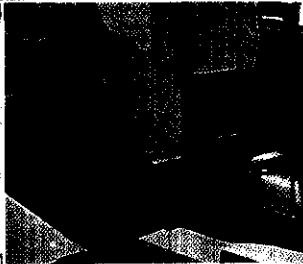
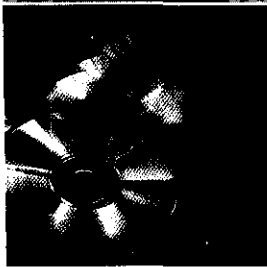


Annual Report 1999-2000



MBI MOSER BAER INDIA LTD.

Exploring new
dimensions of excellence

A path, where there was none

A new horizon, beyond

yesterdays.

Excellence, beyond today

touching tomorrow.

It's the world of relentless

quest for quality. It's the

mindset, the action posture

of Moser Baer.

Ever reaching further, never

resting on achievements.

Yes! milestones never stop

you there, it's the road that

you create to reach

excellence.

Ever evolving excellence.

MBI

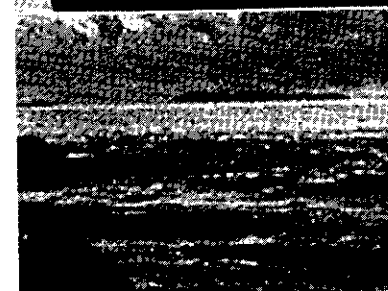
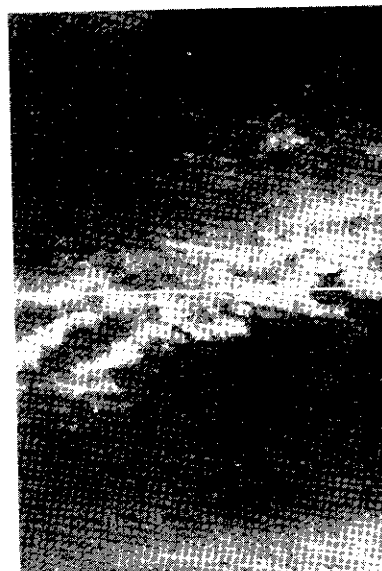
Corporate Profile

Moser Baer (MBI) is one of the world's largest manufacturers of optical and magnetic storage media. MBI has excelled at successfully operating in the highly technology intensive and fast growing data media industry. The company has a strong quality focus, which is evident from its dominating market shares and profile of customers. With a strong Engineering and Research and Development focus coupled with a low cost base, MBI believes in creating long term sustainable competitive advantages in its business segments.

International sales account for over 80% of its revenues most of which come from repeat orders from its existing customer base. With a basket of strong brands, with strong consumer recall and equity, MBI expects a major part of its revenues to be derived in the future from sales of its products under its own brand names.

MBI has a proven track record of sustained growth. Revenues and earnings have grown over the last five years at a CAGR of 36% and 60% respectively. With Shareholder Value creation at the heart of its corporate mission, MBI has provided an average annual return on investment of 25% to its shareholders for the last six years.

MBI's greatest asset is its large pool of talented and experienced graduates, engineers and a highly trained and motivated manpower base. Its human resources coupled with state-of-the-art manufacturing facilities and strong brand names should ensure that MBI retains and strengthens its leading position in the global data storage market.



Strong engineering and
Research and Development
base.



Basket of brands with
dominating market share
in major global markets.



Rated amongst the most efficient manufacturers of Optical and magnetic data storage media in the world.



Over 80% of revenues are derived from the global markets.

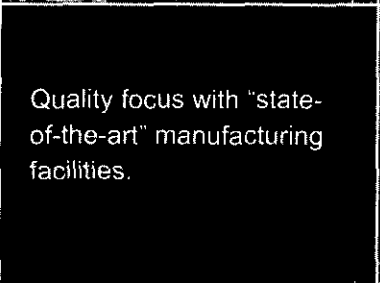
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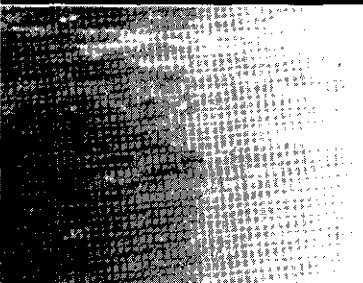
controls over 5% of the global Micro disk market.



Targeting a 10% marketshare of the global optical media market.



Quality focus with "state-of-the-art" manufacturing facilities.



MOSER BAER INDIA LTD.

Management Team

BOARD OF DIRECTORS

Mr. Deepak Puri
Managing Director

Mr. Harnam D.Wahi
Director

Mrs. Nita Puri
Whole Time Director

Mr. Rajesh Khanna
Director

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. Rakesh Govil
General Manager (Treasury)

Mr. S. Rajalingam
General Manager (Plant)

Mr. Naresh Jand
General Manager (Finance)

Mr. Ratul Puri
General Manager (Business Development)

Mr. Ashish Bhanu
General Manager (Audio/Video)

Mr. G.P. Singh
General Manager (HRD)

Mr. G.R.Nyati
Deputy General Manager (Technical)

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

Mr. Sanjay Gupta
Asst. General Manager (Process Dev.)

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

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

Mr. A. Bhattacharya
Sr. Manager (Utility)

Mr. B.B.Arora
Manager (Works)

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',
2nd Floor, 36, Janpath
New Delhi-110 001

IndusInd Bank Limited
International Trade Tower
F-Block, Nehru Place,
New Delhi-110 019

The Fuji Bank Limited
Mumbai Branch, Maker Chamber-III,
1st Floor, Jamnalal Bajaj Road,
Nariman Point,
Mumbai-400 021

MIBI

BRANCH OFFICES

| | |
|-----------|--|
| Rotterdam | Varesweg, 110 3047 av Rotterdam, The Netherlands |
| Mumbai | 510, Maker Chamber-V, Nariman Point, Mumbai |
| Calcutta | 16, British India Street, Calcutta-700 001 |
| Bangalore | Krishna Manere 14/1, Wood Street, Richmond Road, Bangalore |

WORKS

Magnetic Media :

| | |
|----------------------------|---|
| 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 :

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

Audio/Video :

| | |
|----------------------------|-------------------------------|
| Plant-V Domestic | A-33, Sector 57, Noida (U.P.) |
|----------------------------|-------------------------------|

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MOSER BAER INDIA LTD.

Corporate Perspective



Deepak Puri, MD

Acting ahead of the curve

Wherever you turn your gaze today, you see change. Often turbulent, paradigm shifting, disrupting entrenched business realities. Change today is the strategic imperative, for any enterprise aspiring to grow, remain competitive.

At Moser Baer change awareness is the prime pulse beat of all thinking, every action. With a firm focus on the electronic data storage media business, Moser Baer has always been in touch with the future points of the changing reality curve.

Beginning with the 8.0" floppy disk, every stage in MBI's development saw it move closer to its goal of excellence. Today, with an exploding global need for data storage, Moser Baer is ideally positioned to emerge as a market leader in the field, with global distribution, low cost manufacturing, dominant brands and very strong engineering and Research and Development capabilities.

Business Strategy

Creating long term sustainable competitive advantages by developing high quality human resources and global manufacturing scale. Continuously innovating to develop processes and products which enjoy leadership position. Providing customers with an exceptional value-quality-service relationship, while ensuring sustainable and long term shareholder value creation.

The value of cost advantage

As business realities transcend geographical and national barriers, as technology disseminations make technology availability more wide spread, cost factor has become fundamental for competitive advantage. Its not a question of cheaper products, the point is value for money.

Moser Baer has always focussed on research and development and value engineering as the basis for improving product quality and





countries in the world serviced by 7 distribution centers, marketing offices and subsidiaries.

The genetics of Quality

Quality is a way of life at Moser Baer. With a vertically integrated manufacturing process and a dedicated supply base, together with an obsession with conformance to some of the highest standards, Moser Baer products create industry benchmarks which other try to emulate. Applying a systems approach to high

simultaneously lowering cost of production.

Through innovations most of the Moser Baer products have been re-engineered to offer better performance at a lower cost. This has resulted in placing Moser Baer among the lowest cost producers of electronic data storage media in the world.

Writing a saga of Global Presence

Moser Baer, through aggressive forays into export markets, international alliances, and superior quality offering has entrenched itself globally and is expanding all the time.

Today international sales account for over 80% of the company's revenues and the company has a marketing and distribution network in over 27

volume mass manufacturing environment, coupled with in house developed statistical techniques the company's products approach near zero physical defect levels.

Human resource - The prime asset

Now, globally, it's the ascendance of technology, the knowledge workers. As technology driven transformations encompass all enterprises quality human resource is the prime factor of competitive advantage.

At Moser Baer, it's a continuous process of training and development, upgrading of the workers environment to ensure that everybody at Moser Baer grows holistically, in turn taking Moser Baer to higher levels of success.

MOSER BAER INDIA LTD.

Notice

Notice is hereby given that the 17th Annual General Meeting of the Company will be held on Saturday, 30th September, 2000 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, 2000, Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares of the Company.
3. To ratify the payment of interim dividend on Preference Shares of the Company.
4. To appoint a Director in place of Mr. Harnam D. Wahi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Robert O'Donnell, who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and, if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution :
"RESOLVED THAT pursuant to Article 91A of the Articles of Association of the Company, Mr. Rajesh Khanna be and is hereby appointed as a non-rotational nominee Director of the Company."
7. To consider and, if thought fit to pass with or without modification(s), 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 :

8. To consider and, if thought fit to pass with or without modification(s), the following resolution as a Special Resolution :
"RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956, consent of the Company be and is hereby accorded to substitute the existing Article 94 of the Articles of Association of the Company with the following Article :
Unless otherwise determined by the Company in General Meeting, each Director shall be entitled to receive out of the funds of the Company for his services in attending meetings of the Board or a Committee of the Board a fee of Rs. 5,000/- (Rupees Five Thousand only) per meeting of the Board or a Committee of the Board attended by him. All other remuneration, if any payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the Company or otherwise shall be determined in accordance with and subject to the provisions of these Articles and of the Act. The Directors shall be entitled to be paid their reasonable travelling, hotel and other expenses incurred in consequence of their attending the Board and Committee meetings or otherwise incurred in the execution of their duties as Directors. The Company in General Meeting may sanction remuneration to the Directors in accordance with the provisions of the Act."
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Articles of Association of the Company be and are hereby amended by addition / modification of the following Articles at suitable places as mentioned hereinafter:
FURTHER DEFINITIONS:

ARTICLE 1

ELECTRA PARTNERS MAURITIUS LIMITED, formerly known as JF Electra (Mauritius) Ltd., a Company incorporated under the laws of Mauritius and having its registered office at Les Cascades Building, Edith Cavell Street, Port Louis, Republic of Mauritius ("Electra Partners").

"Person" means any individual, sole proprietorship, unincorporated association, unincorporated syndicate, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, governmental authority or trust or any other entity or organisation;

"Promoter"/ "Sponsor" means any of :- Deepak Puri, Nita Puri, Ratul Puri, Kavita Puri or Sabena Puri ; and "Promoters"/ "Sponsors" means collectively : Deepak Puri, Nita Puri, Ratul Puri, Kavita Puri or Sabena Puri.

39 In what cases the Board may refuse to register transfer

- (i) Subject to the provisions of Article 39B and of Section 111 A of the Act, the Board, without assigning any reasons