

**MOSER BAER
INDIA LTD.**

Annual Report
2000-2001



Making waves in data storage.

A CD-ROM disc is shown in the bottom right corner, partially obscured by the text "Making waves in data storage." The disc is tilted and reflects light, creating a bright spot.

Undoubtedly, the invention of any new technology is a massive achievement. It is, after all, the evolution of new possibilities. But the real revolution comes, only when technology can be leveraged, for mass benefit.

At Moser Baer, we are proud of our status as one of the world's leading storage media manufacturers. But the real achievement is our pioneering R&D initiatives, that have completely changed the value equation, thereby enabling the proliferation of the data storage technology of the future.

Today, our world class facilities conform to the most exacting standards globally.

Tomorrow we will be setting the standards.

Growing exponentially, to digitally capture the world.

Report Junction.com

Corporate Profile



In less than two decades since inception, MBI has risen over the global horizon, to be a dynamic Indian transnational, competing successfully in technology products at an international level. With a strong focus on research and development, the company has developed process and product technologies in-house, enabling the introduction of a stream of cutting edge products for the fast growing data storage market.

With high quality products and value added services, MBI has become the preferred OEM supplier for multinational companies. It has also achieved great success in selectively addressing the value added and branded segments with customized offerings for niche markets. With the goal of becoming a dominant player in the global optical media arena, MBI has established state-of-the-art manufacturing facilities using indigenously developed processes, engineering and technology. Within a short period, MBI has grown to become one of the leading companies in the field of storage media.

As international sales account for a significant part of the company's revenues, MBI has created a multi cultural sales team combined with fulfillment systems and processes to provide an unprecedented level of customer satisfaction. The company's products are today sold across 82 countries, in 6 continents through a chain of sales offices and warehouses. With 4 leading brands with dominating positions in their markets, MBI's products reach millions of consumers world wide. Product innovation and development have resulted in the creation of multiple new products with tangible consumer benefits each year. In its home market, MBI is a dominant player, controlling almost half of the market.

Customer satisfaction is a major objective for MBI. This has been validated by its excellent record of repeat business. During the last few years the company has raised its customer profile, and today most major brands worldwide outsource their manufacturing from MBI. MBI's success is attributed to its superior human resources coupled with world class manufacturing facilities.

MBI is committed to creating value for its stakeholders, by delivering on promises and building relationships. The company has excelled in attracting the highest quality customers, investors, employees and suppliers, resulting in measurable differences in operations. MBI has grown its revenues and earnings at a CAGR of 51% and 76% respectively over the last 5 years with an annualized return of 78% to shareholders over the same period

Revenues and earnings
grown at a CAGR of 51% and
76% over last 5 years



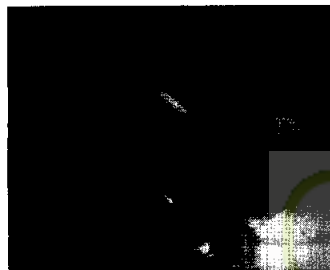
One of the largest optical
and magnetic media
producers in the world



Products sold in 82 countries
across 6 continents to
millions of consumers

Report  junction.com

Established a US subsidiary to address the largest storage media market in the world



Launched 14 new products during the year



Developed the Pc12D-xt process - resulted in the doubling of the write speeds of our media



Board of Directors

	Mr. Deepak Puri Managing Director		
Mr. Harnam D. Wahi Director		Mr. Bernard Gallus Director	
	Mr. Ratul Puri Additional Whole Time Director		Mr. Rajesh Khanna Director
Mr. Robert O' Donnell Director			Mr. Prakash Karnik Director
			Mrs. Nita Puri Whole Time Director

Management Team

Mr. P.M. Pai
President

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. Ashish Bhanu
General Manager (Audio/Video)

Mr. Vivek Chaturvedi
General Manager (International
Sales & Marketing)

Mr. R.W. Ghei
General Manager (HR)

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

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

Mr. Ganesh B.
Deputy General Manager
(Commercial)

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

Mr. B.B. Arora
Asst. General Manager (Works)

Mr. Anil Bhargava
Asst. General Manager (QC)

Mr. Praveen Jaiswal
Asst. General Manager
(Production & Process)

Mr. Arun Kapoor
Asst. General Manager (Engg.)

Mr. V.B. Lal
Asst. General Manager (HR)

Mr. Vinod Kapoor
Asst. General Manager (IR)

Mr. Bhupinder Singh
Asst. General Manager (HR)

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

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

Mr. A. Bhattacharya
Sr. Manager (Utility)

Mr. D.N. Shukla
Sr. Manager (Maint.)

Mr. Anil Shukla
Sr. Manager (Materials)

Mr. K.K. Marwah
Sr. Manager (Production)

Mr. S.K. Paliwal
Sr. Manager (Production)

COMPANY SECRETARY
Mrs. Minni Katariya

PRINCIPAL AUDITORS
K.C. Khanna & Co.
Chartered Accountants
H-96, Connaught Circus,
New Delhi-110 001

BANKERS

State Bank of India

The Bank of Nova Scotia.

Union Bank of India

The Hong Kong & Shanghai
Banking Corporation Ltd.

IDBI Bank Ltd.

State Bank of Patiala

HDFC Bank Ltd.

Standard Chartered Bank

IndusInd Bank Ltd.

Fuji Bank Ltd.

State Bank of Bikaner & Jaipur

State Bank of Saurashtra

Indian Bank

State Bank of Travancore

China Trust Commercial Bank

UTI Bank Ltd.

American Express Bank Ltd.

REGISTERED OFFICE : 63, Ring Road, Lajpat Nagar-III, New Delhi-110 024

CORPORATE OFFICE : W-123, Greater Kailash Part-I, New Delhi-110048

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
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WORKS

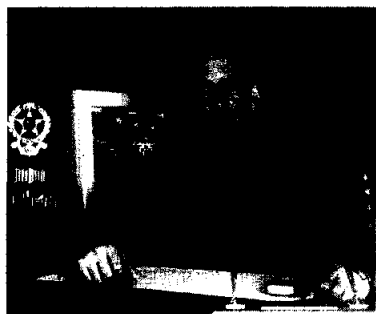
Magnetic Media	: Plant-I Domestic B-17, Sector 9, Noida, (U.P.)	Plant-II Exports 66, Noida Export Processing Zone, Noida, (U.P.)
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Optical Media	: Plant-III Exports A-164, Sector 80, Phase-II, Noida (U.P.)	Plant-IV Exports B-4, Noida Export Processing Zone, Noida (U.P.)	Plant V Exports Plot No. 66, Udyog Vihar, Greater Noida, (U.P.)
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Audio/Video	: Plant-VI Domestic A-33, Sector 57, Noida (U.P.)
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MOSER BAER INDIA LTD.

Corporate Perspective



"We are committed to deliver products and services to our customers that meet and exceed their requirements. We shall achieve this by a commitment to continuously improve our quality systems and optimally utilize our resources."

Deepak Puri
Managing Director



"We are always seeking that perpetual quest for excellence. Our success is measured in how close we get to that goal in every sphere of our operations."

P.M. Pai
President



GLOBALIZATION

With the lowering of international trade barriers, and the free movement of ideas, capital and people, the lines differentiating regions is blurring. We have excelled at maximizing our regional advantages to create a business model which provides us long term sustainable competitive advantages.

DIGITALIZATION

Digitalization is transforming markets worldwide. With the growing popularity of the internet and the explosion in availability of digital content, the manner in which people store, manipulate, communicate and distribute their content is going to undergo a dramatic shift. Inexpensive and reliable Storage Media will play a major role in making this possible. In the next decade, our product and service offerings, will be a key driver of this change.

THE CUSTOMER

With an infinite number of choices, in today's global world the customer has truly become the king. Recognizing this we have created an irresistible quality, service and value relationship for the customer.

PEOPLE

Technology creates change. But people create technology. People use technology. At MBI, the quest to become a resource bank of intellectual

MBI

capital has resulted in the induction of the finest human resource. The MBI team comprises of respected and experienced engineers, doctors, chemists and highly motivated, skilled and professional manpower in every discipline.

TRAINING

Change is the only constant. And success belongs to those who not merely respond to change but create change. MBI's professionals are always on the forefront of change owing to regular on going training programs.

BUSINESS STRATEGY

MBI believes in achieving a long term, sustainable competitive edge by setting up state of the art global sized capacities at low capital costs. The quest is holistic leadership quality leadership, cost leadership and value leadership.

The company has defined outright purchase of strong brands & distribution channels as its growth strategy for increasing worldwide brand and distribution sales in specific products.



MOSER BAER INDIA LTD.

Notice

Notice is hereby given that the 18th Annual General Meeting of the Company will be held on Friday, 28th September, 2001 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, 2001, 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 and to confirm it as final dividend.
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 appoint a Director in place of Mr. Deepak Puri, who retires by rotation and being eligible, offers himself for re-appointment.
"RESOLVED THAT pursuant to Articles 100 and 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 appoint a Director in place of Mrs. Nita Puri, who retires by rotation and being eligible, offers herself for re-appointment.
"RESOLVED THAT pursuant to Articles 100 and 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 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 an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Articles of Association of the Company, consent of the Company be and is hereby accorded to re-appoint Mr. Deepak Puri as a Managing Director of the Company for a period of five years with effect from 1st September, 2001 on a monthly remuneration of Rs. 1,50,000 (Rupees One Lakhs and Fifty Thousand only), the details of which are given in the Explanatory Statement annexed hereto and upon the terms and conditions as are set out in the draft of the Agreement to be entered into between the Company and Mr. Deepak Puri.
FURTHER RESOLVED THAT where in any financial year during the currency of tenure of Mr. Deepak Puri as Managing Director, the Company has no profits or its profits are inadequate, then remuneration may be paid to him on the basis of effective capital of the Company calculated in accordance with the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956 at that time.
FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to amend, alter or otherwise vary the terms and conditions of appointment of Mr. Deepak Puri, including his remuneration provided such remuneration does not exceed the limits prescribed under the provisions of the Companies Act, 1956 and any statutory modifications or re-enactment thereof or any other guidelines relating to managerial remuneration as may be notified by the Government of India from time to time as may be considered by it to be in the best interest of the Company."
9. To consider and, if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Articles of Association of the Company, consent of the Company be and is hereby accorded to re-appoint Mrs. Nita Puri as a Whole Time Director of the Company for a period of five years with effect from 1st December, 2001 on a monthly remuneration of Rs. 45,000 (Rupees Forty Five Thousand only), the details of which are given in the Explanatory Statement annexed hereto and upon the terms and conditions as are set out in the draft of the Agreement to be entered into between the Company and Mrs. Nita Puri.
FURTHER RESOLVED THAT where in any financial year during the currency of tenure of Mrs. Nita Puri as a Whole Time Director, the Company has no profits or its profits are inadequate, then remuneration may be paid to her on the basis of effective capital of the Company calculated in accordance with the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956 at that time.
FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds