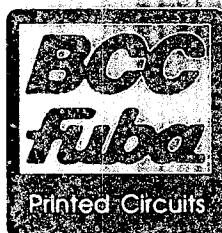


# ANNUAL REPORT

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Report **1996-97** on.com



**BCC FUBA INDIA LIMITED**

## BCC FUBA INDIA LIMITED

### 11th Annual Report

### BOARD OF DIRECTORS

MR. D.R. BHAGAT	CHAIRMAN
MR. V. SAGAR BHAGAT	MANAGING DIRECTOR
MRS. RENU BHAGAT	DIRECTOR
MR. S.P. GUGNANI	DIRECTOR
MR. SWARANJIT SINGH	DIRECTOR
MR. S.D. KAPUR	DIRECTOR
MR. GERHARD FRHR. GROTE	DIRECTOR
MR. RUDOLF SCHWARZ	DIRECTOR
MR. BENZ KLAUS (Alternate to Mr. Gerhard Frhr. Grote)	DIRECTOR
MR. SCHMEJKAL (Alternate to Mr. Rudolf Schwarz)	DIRECTOR

### AUDITORS

VINAY AGGARWAL & ASSOCIATES  
Chartered Accountants  
B-4, "Elite House" Kailash Colony Extension,  
New Delhi-110 048.

<b>Regd. Office &amp; Works</b>	:	4 Km., Swarghat Road, Nalagarh-174 101 Distt. Solan, Himachal Pradesh.
<b>Head Office</b>	:	Samrat Cinema Complex, Ring Road, Shakurpur, Delhi-110 034.

**BCC FUBA INDIA LIMITED****NOTICE**

Notice is hereby given that the 11th Annual General Meeting of the members of BCC FUBA INDIA LIMITED will be held on Monday the 14th day of July 1997 at 2.00 p.m. at the Registered Office of the Company at 4 Km., Swarghat Road, Nalagarh-174 101, Distt. Solan (H.P.), to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S.D. Kapur, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. S.P. Gugnani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit to pass with or without modification(s), the following as a special resolution :

"RESOLVED that M/s Vinay Aggarwal & Associates, Chartered Accountants the retiring auditors be and are hereby appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Managing Director in consultation with them."

By Order of the Board of Directors

Sd/-

Place : New Delhi  
Date : 26th May, 1997

**V.S. BHAGAT**  
Managing Director

**NOTES**

1. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy so appointed need not be a member of the Company.
3. The proxy form duly executed and properly stamped should reach the Company at its Registered Office at least 48 hours before the time of the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 8th July, 1997 to 14th July, 1997 (both days inclusive).
5. Members are requested to notify immediately changes, if any, in their registered address to the Company specifying full address in block capitals with Pin Code of the post office.
6. Members are requested to bring their copy of Annual Report alongwith them to the Annual General Meeting.

**ANNEXURE TO THE NOTICE**

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

**ITEM NO. 4**

In terms of Article 67(2) of the Articles of Association of the Company the appointment of Auditors is made by special resolution.

The members may consider and pass necessary resolution.

None of the Directors is directly or indirectly interested in the proposed resolution.

By Order of the Board of Directors

Sd/-

Place : New Delhi  
Date : 26th May, 1997

**V.S. BHAGAT**  
Managing Director

**BCC FUBA INDIA LIMITED****DIRECTORS' REPORT**

To  
The Members,

Directors have pleasure in presenting their 11th Annual Report and the Audited Accounts for the financial year ending 31st March, 1997.

**BUSINESS OPERATIONS**

Telecom boom was expected to give a boost to the demand of the PCBs in the country, but the same did not materialise due to the policy of liberalisation in the import trade. As a result the demand for the indigenous PCBs continued to remain at low level. PCB industries remained dull during this year.

The expected levels of profit could not be achieved because of the steep fall in the sales realisation of PCBs as a consequences of the very low demand.

Directors would also like to report that company has earned cash profit of Rs. 7.48 lacs during the year against the cash losses of Rs. 0.50 lac during the previous year.

In view of the liquidity crunch, the company has not been able to make payment of instalments of term loan alongwith interest to the financial institutions.

Financial results for the year 1996-97 are summarised below :-

	(Rs. in lacs)	
	1996-97	1995-96
Turnover	479.83	513.16
Profit/(Loss) before interest & depreciation	7.48	(0.50)
Interest	160.35	165.03
Profit/(Loss) before depreciation	(152.87)	(165.53)
Depreciation (not provided)	Nil	Nil
Net Profit/(Loss)	(152.87)	(165.53)
Reserves and surplus	0.86	0.86

Reserves and Surplus constitute Rs. 85,951/- as State Subsidy received on DG set.

**DIVIDEND**

On account of the losses suffered by the company, no dividend is being recommended for the year.

**PROSPECTS**

In the export market, the company achieved turnover of Rs. 77.06 lac as compared to Rs. 40.85 lacs in the last year. In the ensuing year it is expected to be better more barring unforeseen circumstances. In the domestic market, the trends do not seem to be encouraging on account of lower prices.

**DIRECTORS**

Mr. S.D. Kapur and Mr. S.P. Gugnani Directors of the company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. As their continued presence on the Board is of immense importance to the company, your Directors recommend their re-appointment.

During the year the nomination of Mr. Torsten Weber was withdrawn by Fuba Printed Circuits GMBH (Formerly Fuba Hans Kolbe & Co.) and Mr. Schmejkal was nominated as alternate Director to Mr. Rodulf Schwarz.

**AUDITORS**

The auditors of the Company M/s VINAY AGGARWAL & ASSOCIATES, Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Directors recommend their re-appointment. The requisite certificate pursuant to Section 224 (1B) of the Companies Act 1956, has been received.

**BCC FUBA INDIA LIMITED****FIXED DEPOSITS**

The Company did not accept any deposits covered under Section 58A of the Companies Act, 1956 during the year under review.

**FOREFETURE OF SHARES**

During the year the company forfeited 1800 shares on account of non-payment of allotment money inspite of repeated requests and notice given by the company to the defaulting members.

**EROSION OF 100% NET WORTH OF THE COMPANY**

As per the audited accounts of the company for the year ended 31st March, 1997, the accumulated losses of the company have gone upto Rs. 609.82 lac, and they have fully eroded the net worth of the company. In terms of section 3(1)(O) of the Sick Industrial Companies (Special Provision) Act, 1985 and as per Auditor's report, the company has become a Sick Company. The directors are taking necessary steps to send the necessary information to the Board for Industrial and Financial Reconstruction as per requirement of Act.

**OBSERVATION OF THE AUDITORS IN THE ANNUAL ACCOUNTS**

With reference to the observations contained in the Auditors' Report, the Directors wish to state that Notes on Accounts are self explanatory.

**INDUSTRIAL RELATIONS**

Industrial relations during the year remained cordial and satisfactory.

**ENERGY CONSERVATION/TECHNOLOGY ABSORPTION/FOREIGN EXCHANGE EARNING AND OUTGO**

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange earning and outgo as per Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, are given in Annexure 'I' and form part of this report.

**PARTICULARS OF EMPLOYEES**

The particulars of employees under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are given in Annexure 'II' and form part of this report.

**ACKNOWLEDGMENT**

Your Directors take the opportunity to offer thanks to ICICI, IDBI, IFCI and State Bank of Patiala for their valuable assistance. Directors place on record their gratitude to the DEG, Germany, FUBA Printed Circuits GMBH, Germany (Formerly FUBA Hans Kolbe & Co.) various Government Departments, business associates and our esteemed customers for their understanding co-operation.

Directors also wish to place on record their sincere appreciation of the performance of Management team and the services of our staff and employees at all levels.

By order of the Board of Directors

Place : New Delhi

Dated : 26.05.97

**D.R. Bhagat**

Chairman

**BCC FUBA INDIA LIMITED****ANNEXURE I**

Information required under Section 217 (1) (E) of the Companies Act, 1956, read with the Companies (Disclosing of particulars in the Report of Board of Directors) Rules, 1988 for the period ended 31st March, 1997.

**CONSERVATION OF ENERGY**

Your Company continues to give high priority to conservation of energy on an on-going basis. Particulars with respect to total energy consumption and energy consumption per unit of production in the prescribed 'Form A' are given hereunder :

**FORM 'A'****A. POWER AND FUEL CONSUMPTION**

<b>1. Electricity</b>	<b>Current year</b>	<b>Previous year</b>
(a) Purchased		
- Units	11,29,260	13,79,096
- Total/Amt. (Rs. in lacs)	19.42	21.15
- Rate/Unit (Rs.)	1.72	1.53
(b) Own Generation		
i) Through diesel generator		
- Units	22,897	28,351
- Units per lt. of diesel Oil	2.72	2.03
- Cost per unit (Rs.)	2.84	3.52
ii) Through steam turbine/ generator	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Others Internal Generation	Nil	Nil

**B. CONSUMPTION PER UNIT OF PRODUCTION**

Product	-Printed Circuit Boards	
Unit per Sq. Mtr.	165.57 units	190.81 units
Electricity	(Rs. 288.44)	(Rs. 300.26)

**RESEARCH AND DEVELOPMENT (R&D)**

Research and development continues to be given high priority. A number of developments have been incorporated in the products due to these efforts.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

The technology imported from M/s. Fuba Printed Circuits GMBH (Formerly Fuba Hans Kolbe & Co.) the technical collaborator of your company, has been fully absorbed and we are able to manufacture the products without any foreign aid. The company has developed capacity to manufacture the multilayer boards and double sided board with SMT pads.

**FOREIGN EXCHANGE EARNINGS AND OUTGO :**

	<b>1996-97</b> <b>(Rs. in Lac)</b>	<b>1995-96</b> <b>(Rs. in Lac)</b>
<b>A. FOREIGN EXCHANGE USED</b>		
1. Travelling expenses	2.12	1.77
2. Raw materials/chemicals/ stores and spares etc. imported	168.85	224.01
3. Others	0.60	0.53
<b>B. Foreign exchange earned</b>	<b>77.06</b>	<b>40.85</b>

**BCC FUBA INDIA LIMITED****ANNEXURE II**

Statement showing the name and other details of the employees as required under section 217 (2A) of the Companies Act, 1956 read with Companies (particulars of Employees) Rules, 1975 and forming part of the Directors' report for the year ended 31st March, 1997.

Name of Employee	:	Mr. V.S. Bhagat
Age	:	56 Years
Designation/nature of duties	:	Managing Director/ looking after the Company's Affairs
Gross remuneration	:	Rs. 4,83,800    Rs. 4,83,000 (This Year)                      (Previous Year)
Qualification	:	B.A. (Hons) in Economics
Experience	:	33 years
Date of commencement of Employment (Re-appointed w.e.f. 15.07.1994)	:	01.04.90
Previous employment/Position held	:	Bhagat Construction Co. Pvt. Ltd., Director

**NOTES**

1. Mr. V.S. Bhagat is related to Mr. D.R. Bhagat, Chairman and Mrs. Renu Bhagat, Director.
2. Remuneration received includes Gross salary, Employer's contribution towards provident fund, Medical reimbursement, cost of hiring leased accommodation etc.
3. There is no employee in the Company, who is in receipt of remuneration in excess of that drawn by Managing Director and holds himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.