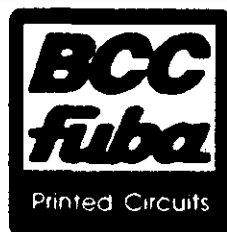


# **ANNUAL REPORT**

**1999-2000**

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***BCC FUBA INDIA LIMITED***

**BCC FUBA INDIA LIMITED****14th Annual Report****BOARD OF DIRECTORS**

MR. V. S. BHAGAT	CHAIRMAN AND MANAGING DIRECTOR
MRS. RENU BHAGAT	DIRECTOR
MR. S. P. GUGNANI	DIRECTOR
MR. SWARANJIT SINGH	DIRECTOR
MR. G. F. GROTE	DIRECTOR
DR. FRANZ BOTZL	NOMINEE DIRECTOR
MR. VEENU PASRICHA	ADDITIONAL DIRECTOR
MR. N.S. CHOUDHARY (Special Director appointed by BIFR)	DIRECTOR

**AUDITORS****VINAY AGGARWAL & ASSOCIATES**

Chartered Accountants

E-67, (LGF), Greater Kailash-III

(Masjid Moth), New Delhi-110 048

**INTERNAL AUDITORS****S. MALHOTRA & CO.**

Chartered Accountants

E-513, Greater Kailash-II

New Delhi-110 048

**Regd. Office & Works**

:

4 Km., Swarghat Road, Nalagarh-174 101  
Distt. Solan, Himachal Pradesh.**Head Office**

:

Samrat Cinema Complex,  
Ring Road, Shakurpur  
Delhi - 110 034

**NOTICE**

Notice is hereby given that the 14th Annual General Meeting of the members of BCC FUBA INDIA LIMITED will be held on Thursday the 21st day of Sept., 2000 at 2.30 P.M. at the Regd. Office of the Company at 4km, Swarghat Road, Nalagarh, 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, 2000 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. Swaranjit Singh, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit to pass with or without modification(s), the following resolution 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."

**SPECIAL BUSINESS**

4. To consider and if thought fit to pass the following resolution as an ordinary resolution with or without any modification(s).

"RESOLVED that in partial modification of ordinary resolution passed at the Annual General Meeting of the Company held on 28th September, 1999 and Deed of Agreement executed on 05-07-1999 between the Company and Mr. V.S. Bhagat, Managing Director of the Company, and in accordance with the provisions of Section 198, 269, 309 & 310 read with Schedule XIII and other provisions if any, applicable of the Companies Act, 1956 (including any statutory modification or reenactment thereof, for the time being in force) and resolution passed by the Board of Directors in their meeting held on 25-07-2000 the members hereby approve the increase in salary, perquisites, allowances etc. payable to Mr. V.S. Bhagat, Managing Director of the Company w.e.f. 01-07-2000 for the remainder of the tenure of his term as set out hereunder :

The total remuneration will be subject to a ceiling of Rs. 15,00,000/- p.a. or Rs. 1,25,000/- p.m. w.e.f. 1.7.2000 for the remainder of tenure of the Managing Director i.e. upto 14-07-2004 as per detail given below :

**I. SALARY**

Rs. 1,00,000/- (Rupees one lac only) per month.

**II. PERQUISITES**

As below but restricted to Rs. 3,00,000/- per year.

- i) **Housing** : Expenditure on hiring unfurnished accomodation are allowable upto Rs. 24,000/- per month however, if it exceeds Rs. 24,000/- p.m., the excess of amount over Rs. 24,000/- per month shall be recoverable from the salary of the Managing Director.

OR

In case no accomodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance @ Rs. 24,000/- per month.

- ii) **Medical Reimbursement** : For self and family subject to a ceiling of Rs. 12,000/- per year.

He will also be entitled for the following perquisites which will not be included in the computation of ceiling on his remuneration as stated above.

- a) contribution to provident fund, superannuation fund or annuity fund to the extent these are either singly or put together not taxable under the Income Tax Act, 1961,
- b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- c) encashment of leave at the end of the tenure.

Car for use on Company's business and telephone at residence will be provided. They will, however, not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose, shall be billed by the company.

The salary and perquisites as above shall be paid as remuneration notwithstanding absence or inadequacy of profits.

**BCC FUBA INDIA LIMITED**

Mr. V.S. Bhagat, Managing Director of the Company so long as he functions as such, shall not be entitled to any sitting fees for attending the meeting of the Board of Directors or Committee thereof.

FURTHER RESOLVED that the said remuneration shall also be paid as a minimum remuneration notwithstanding that the Company has no profit or has inadequate profits in any financial year.

FURTHER RESOLVED that the Board of Directors of the Company is authorised to review the terms and conditions of the reappointment of Mr. V.S. Bhagat as Managing Director, more particularly relating to the remuneration, as may be necessary in accordance with the provisions of Schedule XIII to the Companies Act, 1956 and any amendment/modification therein made by the Govt. from time to time."

5. **To consider and if thought fit to pass the following resolution as an ordinary resolution with or without any modification(s).**

"RESOLVED that Mr. Veenu Pasricha is appointed as director of the Company liable to retire by rotation."

6. **To consider and if thought fit to pass the following resolution as an ordinary resolution with or without any modification(s).**

"RESOLVED that the consent of the company be and is hereby accorded to the Board of Directors of the Company pursuant to Section 293(1) (a) of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company all or any of the movable and/or immovable properties both present and future of the whole or substantially the whole of the undertaking of the Company for securing any loan, working capital limits or any other financial facilities obtained or as may be obtained by the Company from any Financial Institution(s), person(s), bank(s) together with interest, costs, charges, expenses and any other money payable by the company, however, that the total borrowing of the Company should not exceed the aggregate of Rs. 40 crore, at any time.

FURTHER RESOLVED that the mortgage/charge created/to be created and/or all acts done/to be done in terms of the above resolutions by and with the authority of the Board of Directors of the Company be and are hereby confirmed and ratified."

7. **To consider and if thought fit to pass the following resolution as an ordinary resolution with or without any modification(s).**

"RESOLVED that the consent of the company be and is hereby accorded to the Board of Directors of the Company pursuant to Section 293(1) (d) of the Companies Act, 1956 to borrow any sum of money from time to time, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loan obtained from the Company's banks in the ordinary course of business) 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 purposes provided however, the total amount so borrowed shall not exceed Rs. 40 crore, at any time."

By Order of the Board of Directors

Place : New Delhi  
Date : 25.7.2000

Sd/-  
**V S BHAGAT**  
Chairman and Managing Director

**NOTES**

1. Explanatory Statement for item No. 3 to 7 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 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 14-09-2000 to 21-09-2000 (both days inclusive).

**ANNEXURE TO THE NOTICE**

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

**ITEM NO 3**

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.

**ITEM NO 4**

Mr. V.S. Bhagat was re-appointed as Managing Director of the Company in the Annual General Meeting of the members held on 28th day of September, 1999 on the terms and conditions mentioned in the Agreement dated 05/07/1999 entered into between the Company and Mr. V.S. Bhagat, Managing Director. The Central Government vide its notification dated 2.3.2000 has amended para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956 enhancing the limit of remuneration payable to managerial personnel even in the event of absence or inadequacy of net profit of the Company.

Keeping in view quantum of work and efficiency of Mr. V.S. Bhagat in the affairs of the Company and untiring efforts made by him to bring the Company in profit and his role in finalising the one time settlement of dues with Financial Institutions, the Board vide its resolution dated 25.07.2000 has approved the enhancement in the remuneration of Managing Director w.e.f. 1.7.2000. In terms of said resolution, Agreement dated 26.7.2000 was entered into between the Company and Mr. V.S. Bhagat. The approval of members is required for the said enhancement.

Mr. V.S. Bhagat himself and Mrs. Renu Bhagat, Director of the Company being related with him are interested in the proposed resolution.

The details given in resolution and explanatory statement may also be considered as abstract of terms and conditions as required under section 302 of the Companies Act, 1956.

The copy of Agreement is available for inspection of the members at the Registered Office of the Company during working hours on working days.

**ITEM NO 5**

Mr. Veenu Pasricha was appointed as an additional director of the Company by the Board of Directors in their meeting held on 26.06.2000. In terms of section 260 of the Companies Act, 1956 he will cease as a director on conclusion of forthcoming Annual General Meeting. The Company has received a notice under section 257 of the Companies Act, 1956 alongwith requisite deposit from a member proposing his name for appointment as director, retiring by rotation. Mr. Veenu Pasricha is a young man of 35 years old. He is an IIT qualified Engineer.

None of the Directors except Mr. Veenu Pasricha is interested in the resolution. Members are requested to consider his appointment and pass the proposed resolution.

**ITEM NO 6**

The Board of Directors was authorised to create mortgage/charge on the movable/immovable assets of the Company upto Rs. 20 crore by the members of the Company in their Annual General Meeting held on 24.09.1996. Due to increase in business the Company may require to borrow more funds and to create charge etc. for more than Rs. 20 Crore at one time. In terms of the provisions of Section 293(1) (a) of the Companies Act, 1956, consent of members of the company is required for authorising the Board of Directors for mortgaging and for creating charges on the movable and immovable assets of the company.

The members may consider and approve the proposed resolution.

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

**ITEM NO 7**

The Board of Directors of the Company was authorised to borrow money not exceeding to Rs. 20 crore by the members of the Company in their Annual General Meeting held on 24-09-1996. Due to expansion of business the company may require more funds which may exceed Rs. 20 crore. In terms of the provisions of Section 293(1) (d) of the Companies Act, 1956, consent of members of the company is required for authorising the Board of Directors to borrow money in excess of the paid up capital plus free reserves of the company.

The members may consider and approve the proposed resolution.

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

By Order of the Board of Directors

Place : New Delhi  
Date : 25/07/2000

Sd/-  
**V S BHAGAT**  
Chairman and Managing Director

**BCC FUBA INDIA LIMITED****DIRECTORS' REPORT****The Members,**

Your directors have pleasure in presenting the 14th Annual Report and the Audited Accounts of the Company for the financial year ended on 31st March, 2000.

**FINANCIAL RESULTS**

	(Rs. in lacs)	
	1999-2000	1998-99
Turnover	766.21	513.03
Profit/(Loss) before interest & depreciation	83.30	26.55
Interest	13.36	156.99
Profit/(Loss) before depreciation	69.94	(130.44)
Depreciation	68.11	NIL
Net Profit/(Loss)	1.83	(130.44)

**DIVIDEND**

On account of brought forward losses suffered by the company, the directors don't recommend any dividend for the year.

**OPERATIONAL HIGHLIGHTS**

During the year under consideration our Company achieved profit of Rs. 1.83 lacs after interest and depreciation as compared to loss of Rs. 130.44 lacs in the previous year. The Company manufactured 10311.45 sqr. mtrs. of PCBs as compared to 6744.39 sqr. mtrs. of PCBs during the previous year. In the current year 2000-2001, we expect higher turnover as compared to last year because of better order position. The establishment costs shall also be reduced because of reduction in the strength of surplus staff.

**MATTER BEFORE BIFR**

The Company has settled with the financial institutions for one time settlement of dues. The financial institutions have waived interest and penal interest and agreed to accept 70% of principal amount. The amount had been paid to Financial Institutions and has been kept by them in No Lien A/C. Formal approval of BIFR is awaited.

This will reduce the interest burden of the Company which will definitely improve the financial results of the Company. Subject to unforeseen circumstances, we hope that company's results for the current year will show a good profit as compared to losses suffered in the earlier years.

**DIRECTORS**

Mr. Swaranjit Singh Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. As his continued presence on the Board is of immense importance to the company, your Directors recommend Mr. Swaranjit Singh's re-appointment.

Mr. Veenu Pasricha was appointed as an additional director by the Board of Directors and in terms of provisions of Companies Act, 1956. He will cease to be a director at the conclusion of the Annual General Meeting. The Company has received a notice under section 257 of the Companies Act, 1956 from a member proposing his name for appointment as director, retiring by rotation.

During the year Mr. Benz Klaus ceased to be alternate Director to Mr. G.F. Grote and Dr. Franz Botzl was appointed as nominee director by Fuba Printed Circuits GMBH on the Board of the Company.

**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. Your 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.

**LISTING OF SECURITIES**

At present the securities of the Company are listed with the Ludhiana Stock Exchange Assn. Ltd., The Stock Exchange Mumbai, The Delhi Stock Exchange Assn. Ltd., The Stock Exchange Ahmedabad and The Calcutta Stock Exchange Association Ltd. The Company has paid Annual Listing Fees of all the Stock Exchanges.

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

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

**INDUSTRIAL RELATIONS**

The relations with the labour remained cordial during the year.

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

Particulars of Energy Conservation / Technology Absorption and Foreign Exchange earnings 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**

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.

**Y2K COMPLIANCE**

The Company has taken appropriate and effective steps to be Y2K compliant. So, there is no Y2K problem.

**ACKNOWLEDGMENT**

Your Directors take the opportunity to offer thanks to ICICI, IDBI, IFCI, DEG, Germany and State Bank of Patiala for their valuable assistance. Your Directors place on record their gratitude to FUBA Printed Circuits GMBH, Germany (Formerly Fuba Hans Kolbe & Co.) now taken over by VOGT Electronics Ag, Erlau.

Your Directors also wish to place on record their deep sense of appreciation for the devoted services of the executives, staff and workers of the Company for smooth operations of the Company.

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By order of the Board of Directors

Place : New Delhi  
Dated : 25.07.2000

Sd/-  
**V. S. Bhagat**  
Chairman and Managing Director