

# **ANNUAL REPORT**

**2000-2001**

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***BCC FUBA INDIA LIMITED***

**BCC FUBA INDIA LIMITED****15th 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
DR. FRANZ BOTZL	NOMINEE DIRECTOR
MR. VEENU PASRICHA	DIRECTOR
MR. KRISHAN LAL KOUL (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**

31-B, Mohammadpur, 2nd Floor  
Near Bhikaji Cama Place  
New Delhi - 110 066

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

Notice is hereby given that the 15th Annual General Meeting of the members of BCC FUBA INDIA LIMITED will be held on Saturday the 29th day of Sept., 2001 at 10.30 A.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, 2001 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.P. Gugnani, who retires by rotation.
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 of Rs. 30,000/- for the statutory audit of accounts for the year 2001-2002."

**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 subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or reenactments thereof for the time being in force), Securities Contracts (Regulation) Act, 1956, and the Rules framed thereunder, Listing Agreements, and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by the Resolution) the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from the Stock Exchanges at Ahmedabad, Calcutta and Delhi."

By Order of the Board of Directors

Place : New Delhi  
 Date : 14.08.2001

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

**NOTES**

1. Explanatory Statement for item No. 3 & 4 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 26-09-2001 to 29-09-2001 (both days inclusive).
5. Equity Shares of the company can be held in Electronic Form with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) through any Depository Participant (DP) with whom the Member/Investor have their Depository Account. The ISIN Number Allotted to the Equity Shares of the Company is INE 788D01016.

**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**

Presently, the Securities of the company are listed at The Stock Exchange Ahmedabad, The Delhi Stock Exchange Association Ltd., the Calcutta Stock Exchange Association Ltd., The Stock Exchange Mumbai besides the Ludhiana Stock Exchange Ltd. the regional Stock Exchange of the Company.

With the extensive networking of the Stock Exchange Mumbai (BSE) and the extension of the BSE terminals to other cities as well, investors have access to online dealings in the Company's securities across the country. The bulk of the trading in the Company's equity shares in any case takes place on the BSE, and the depth and liquidity of trading in the Company's securities on all other Stock Exchanges are lower.

It is also observed that the listing fee paid to the other Stock Exchanges is disproportionately higher, and as stated herein, the trading volumes and liquidity are lower compared to the BSE. As a part of its cost reduction measures, the Company has proposed this resolution, which will enable it to delist its equity shares from the Stock Exchanges at Ahmedabad, Calcutta and Delhi at an appropriate time in the future. In line with the SEBI regulations and approvals, if any, required members' approval is being sought by a Special Resolution for enabling voluntary delisting of its Securities from the said other Stock Exchanges.

The proposed delisting of the Company's securities from The Stock Exchange Ahmedabad, The Delhi Stock Exchange Association Ltd., and The Calcutta Stock Exchange Association Ltd., as and when the same takes place, will not adversely affect the investors. The Company's securities will continue to be listed on BSE and The Ludhiana Stock Exchange Association Ltd., the Regional Stock Exchange. The delisting will take effect after all approvals, permissions and sanctions are received. The exact date on which delisting will take effect will be suitably notified at that time.

Your Directors recommend the Special Resolution for approval of members.

None of the directors of the Company is, in any way, concerned or interested in the resolution.

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By Order of the Board of Directors

Place : New Delhi  
Date : 14.08.2001

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

**DIRECTORS' REPORT**

**Dear Members,**

Your directors have pleasure in presenting the 15th Annual Report and the Audited Accounts of the Company for the financial year ended on 31st March, 2001.

**FINANCIAL RESULTS**

	(Rs. in lacs)	
	<b>2000-2001</b>	<b>1999-2000</b>
Turnover	<b>828.55</b>	766.21
Profit/(Loss) before interest & depreciation	<b>127.96</b>	76.42
Interest	<b>76.22</b>	9.24
Profit/(Loss) before depreciation	<b>51.74</b>	67.18
Depreciation	<b>67.90</b>	65.35
Net Profit/(Loss)	<b>(16.16)</b>	1.83

**DIVIDEND**

The directors don't recommend any dividend for the year.

**OPERATIONAL HIGHLIGHTS**

During the year under consideration your company achieved a turnover of Rs. 828.55 lacs as compared to Rs. 766.21 lacs during the previous year. However, due to reduction in selling price the company has suffered net loss of Rs. 16.16 lacs as compared to net profit of Rs. 1.83 lacs during the previous year. The company has manufactured 10390.33 sq. mtrs. of PCBs as compared to 10311.45 sq. mtrs. of PCBs during the previous year. The liberal import policies of the Government have adversely affected the PCB market. As a result thereof, we could made sales of Rs. 133.18 lacs only during the first quarter of current year as compared to Rs. 236.01 lacs in the corresponding quarter of previous year.

**MATTER BEFORE BIFR**

You will be glad to know the 'BIFR' has approved the Scheme of revival of the company. In terms of the scheme approved, the financial institutions have waived their interest including the penal interest and also accepted 70% of outstanding principal amount. The company has made the payments in terms of one time settlement scheme approved by 'BIFR'. Now your company is no more a Sick Company in terms of section 3(1)(0) of the Sick Industrial Companies (Special Provision) Act, 1985.

**DIRECTORS**

Mr. S.P. Gugnani Director of the Company retires by rotation at the ensuing Annual General Meeting.

During the year the nomination of Mr. G.F. Grote was withdrawn by DEG, Germany as they have disposed of their entire shareholding in 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 and Audit Committee recommend their re-appointment. The requisite certificate pursuant to Section 224 (1B) of the Companies Act 1956, has been received.

**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.

**ISO 9002 ACCREDITATION**

Company's Quality Systems continue to be covered by the 'ISO 9002' accreditation, awarded by DET NORSKE VERITAS.

**BCC FUBA INDIA LIMITED****DEPOSITORY SYSTEM**

The Company has entered into agreements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) to facilitate investors to hold their investments in equity shares of the company, in electronic mode and trade in these shares. As per the directions of SEBI, the equity shares of the company have been included in the list in which trading is compulsory for all investors in dematerialised form.

**AUDIT COMMITTEE**

Consequent to introduction of Section 292A of the Companies Act, 1956, by the Companies (Amendment) Act, 2000 and clause 49 of Listing Agreement it is mandatory for every public company, having a paid up capital of not less than Rupee Five Crores, to constitute an Audit Committee of the Board. Your company has constituted an Audit Committee of the Board in July, 2001. Mr. S.P. Gujnani, Mr. Swaranjit Singh and Mr. Veenu Pasricha who are independent directors have been appointed as members of the Audit Committee. Mr. S.P. Gujnani is the Chairman of the Audit Committee.

**DIRECTORS' RESPONSIBILITY STATEMENTS**

While preparing the annual financial statements the company has adhered to the following :

- In the preparation of the said financial statements the company has followed the applicable accounting standards, referred to in section 211 (3-C) of the Companies Act, 1956.
- The company has followed the said accounting standards and has been applying them consistently and has made judgements and estimates that are reasonable, prudent and are in the interest of the Company's business, so as to give a true and fair view of the state of affairs of the company as at March 31, 2001 and of the profit / loss of the company, for the said period.
- The Directors have taken proper and sufficient care, for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the financial statement on a going concern basis.

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

- i) Point No. 4(a) miscellaneous Expenses shall be amortised in the year of sufficient profit.
- ii) Point No. 4(b) the matter is pending with Registrar of issue. The company has taken up the matter with them.
- iii) Point No. 6(vi) as per the policy consistently followed by the company, excise duty has not been taken as part of the finished goods.

**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 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.

**ACKNOWLEDGMENT**

Your Directors take the opportunity to offer thanks to State Bank of Patiala for their valuable assistance.

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.

By order of the Board of Directors

Place : New Delhi  
Dated : 14.08.2001

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

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

Information required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 for the Period ended 31st March, 2001.

**CONSERVATION OF ENERGY**

Your Company continues to give high priority to conservation of energy on an on-going basis. The required information 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	12,49,828	14,37,163
- Total Amt. (Rs. in lacs)	34.60	36.00
- Rate per Unit (Rs.)	2.77	2.50
(b) Own Generation		
i) Through diesel generator		
- Units	42,200	28,338
- Units per Lt. of diesel Oil produced	2.99	2.55
- Cost per unit (Rs.)	5.22	4.67
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**

<b>Product</b>	<b>Printed Circuit Boards</b>	
Electricity consumed	124.45 units	142.25 units
per sq.mtrs.	(Rs. 354.78)	(Rs. 362.25)

**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 technical assistance. The company has developed capacity to manufacture the multilayer boards and double sided board with SMT Pads.

**FOREIGN EXCHANGE EARNINGS AND OUTGO :**

	<b>2000-2001 (Rs. in Lac)</b>	<b>1999-2000 (Rs. in Lac)</b>
<b>A. FOREIGN EXCHANGE USED</b>		
1. Travelling expenses	1.38	Nil
2. Raw materials / chemicals / Stores and spares etc. imported	122.67	234.61
3. Others	0.71	1.11
<b>B. FOREIGN EXCHANGE EARNED</b>	22.46	4.70