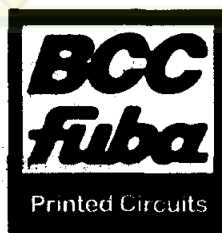


ANNUAL REPORT

2001 - 2002

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BCC FUBA INDIA LIMITED

BCC FUBA INDIA LIMITED

16th Annual Report

BOARD OF DIRECTORS

| | |
|------------------------|--------------------------------|
| 1. MR. V.S. BHAGAT | CHAIRMAN AND MANAGING DIRECTOR |
| 2. MRS. RENU BHAGAT | DIRECTOR |
| 3. MR. A.P. MATHUR | DIRECTOR |
| 4. MR. SWARANJIT SINGH | DIRECTOR |
| 5. MR. VEENU PASRICHA | DIRECTOR |
| 6. DR. FRANZ BOTZL | NOMINEE DIRECTOR |

COMPANY SECRETARY
MR. R.S. TIWARI

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 16th Annual General Meeting of the members of BCC FUBA INDIA LIMITED will be held on the 20th day of September, 2002 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, 2002 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. Veenu Pasricha, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Swaranjit Singh, 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 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 2002-2003."

SPECIAL BUSINESS

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. A.P. Mathur is appointed as director of the Company liable to retire by rotation".

By Order of the Board of Directors

Sd/-

R.S. TIWARI

Company Secretary

Place : New Delhi

Date : 31/07/2002

NOTES

1. Explanatory Statement for item No. 4 & 5 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 17-09-2002 to 20-09-2002 (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 788DO1016.

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 to be 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. 5

Mr. A.P. Mathur was appointed as an additional director of the Company by the Board of Directors in their meeting held on 31-10-2001. 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.

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

By Order of the Board of Directors

Sd/-

R.S. TIWARI

Company Secretary

Place : New Delhi

Date : 31/07/2002

BCC FUBA INDIA LIMITED**DIRECTORS' REPORT**

Dear Members,

Your directors have pleasure in presenting the 16th Annual Report and the Audited Accounts of the Company for the financial year ended 31st March, 2002.

FINANCIAL RESULTS

| | (Rs. in lacs) | |
|--|------------------|------------------|
| | <u>2001-2002</u> | <u>2000-2001</u> |
| Turnover | 655.65 | 828.55 |
| Profit/(Loss) before interest & depreciation | 65.52 | 127.96 |
| Interest | 64.72 | 76.22 |
| Profit/(Loss) before depreciation | 0.80 | 51.74 |
| Depreciation | 65.41 | 67.90 |
| Net Profit/(Loss) | (64.61) | (16.16) |

DIVIDEND

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

OPERATIONAL HIGHLIGHTS

During the year under consideration our Company achieved a turnover of Rs. 655.65 lacs as compared to Rs. 828.55 lacs during the previous year. The Company maintained its gradual improvement in performance this year too. As compared with an annual O.K. production of 6752 Sq. Mtrs. in 1998-1999 and 10390.33 Sq. Mtrs in 2000-01, the company recorded an annual O.K. production of 11602.66 Sq. Mtrs. in 2001-2002. Likewise as compared with an average rejection of 11.6% in 1998-1999 and 6.09% in 2000-2001 the average rejection was brought down to 2.95% in year ended on 31/03/2002.

The major problems faced by the company during the year 2001-02 were related to :

- A. Shrinking market
- B. Crashing Prices

The September 11, destruction of the twin towers of World Trade Centre in New York had a shattering impact on business globally. To be blunt demand collapsed rather than shrank. The effect was felt in the Indian Marketplace too. To make matters worse slashing of CDOT orders almost destroyed the PCB industry in India.

The collapse in custom saw the onset of a savage price war among the Indian PCB manufacturers. That means on the one hand the demand was collapsing and on the other prices were crashing. In a such scenario survival with improved performance did not inflate our profits. Rather it has had the effect of minimising our losses.

Globally markets are picking up. International demand for PCBs is rising. Locally CDOT no longer has the buying muscle power to keep the PCB Industry alive. However the energy meters market has seen rapid expansion which may assist in keeping the PCB industry afloat in the short term. However, from a long term perspective we have to establish tie ups with Overseas buying houses to ensure long term growth and profitability.

MATTER BEFORE BIFR

You will be glad to know that the Company has come out of its sickness and necessary orders have been passed by 'BIFR'.

DIRECTORS

Mr. Swaranjit Singh and Mr. Veenu Pasricha, Directors of the Company retire by rotation at the ensuing Annual General Meeting. They being eligible, have offered themselves for re-appointment. As their continued presence on the Board is of immense importance to the Company, your Directors recommend the appointments of Mr. Swaranjit Singh and Mr. Veenu Pasricha.

During the year the nomination of Mr. Krishan Lal Koul has been withdrawn by 'BIFR' from the directorship of the Company. The Board of Directors have appointed Mr. A.P. Mathur as an additional director who in terms of section 260 of the companies act, 1956 will cease to be director at the conclusion of forthcoming Annual General Meeting. The Company has received a notice under section 257 from a member for his appointment.

Your Directors recommend his appointment

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.

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.

ISO 9002 ACCREDITATION

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

DEPOSITORY SYSTEM

The trading of Company's equity shares has been made compulsory in the demat mode. The Company has already 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. Members of the Company are requested to get their equity dematerialised.

AUDIT COMMITTEE

Due to retirement of Mr. S P Gugnani, the Audit Committee was reconstituted. Mr. A P Mathur, Mr. Venu Pasricha and Mr. Swarnjit Singh are the members of the Committee. Mr. A P Mathur is Chairman of the 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, 2002 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

The auditors have made no comment in their report.

INDUSTRIAL RELATIONS

The relations with 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

Sd/-

(V. S. BHAGAT)

Chairman and Managing Director

Place : New Delhi
Date : 31/07/2002

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, 2002.

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**

| 1. Electricity | Current Year | Previous Year |
|---------------------------------------|---------------------|----------------------|
| (a) Purchased | | |
| — Units | 13,58,553 | 12,49,828 |
| — Total / Amt. (Rs. in lacs) | 38.96 | 34.60 |
| — Rate per Unit (Rs.) | 2.86 | 2.77 |
| (b) Own Generation | | |
| i) Through diesel generator | | |
| — Units | 40,849 | 42,200 |
| — Units per lt. of diesel Oil | 2.83 | 2.99 |
| — Cost per unit (Rs.) | 5.87 | 5.22 |
| 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 | |
|--------------------------|-------------------------------|--------------|
| Electricity Consumed per | 121.00 units | 124.45 units |
| Sq. Mtr. | (Rs. 357.90) | (Rs. 354.78) |

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.

BCC FUBA INDIA LIMITED**FOREIGN EXCHANGE EARNING AND OUTGO :**

| | 2001-2002 (Rs. in lac) | 2000-2001 (Rs. in lac) |
|---|---|---|
| A. FOREIGN EXCHANGE USED | | |
| 1. Travelling expenses | 1.64 | 1.38 |
| 2. Raw material / chemicals/ stores and spares etc. imported | 185.77 | 122.67 |
| 3. Others | 1.46 | 0.71 |
| B. FOREIGN EXCHANGE EARNED | 28.85 | 22.46 |

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, 2002.

| | |
|------------------------------------|--|
| Name of Employee | : Mr. V.S. Bhagat |
| Age | : 61 Years |
| Designation | : Chairman & Managing Director |
| Nature of duties | : Looking after the Company's Affairs |
| Gross Remuneration | : Rs. 16,28,000 |
| Qualification | : B.A. (Hons.) in Economics |
| Experience | : 39 years |
| Date of commencement of Employment | : 01.04.90 |
| Previous employment/Position held | : Bhagat Construction Co. Pvt. Ltd. Director |

NOTES

1. Mr. V.S. Bhagat is related to 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.

BCC FUBA INDIA LIMITED**AUDITOR'S REPORT**

To,

The Members of**M/S. BCC FUBA INDIA LIMITED**

We have audited the attached Balance Sheet of M/S BCC FUBA INDIA LIMITED as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. We have expressed an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and other Companies(Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-Section (4A) of section 227 of the Companies Act, 1956, we enclose in Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of the books.
3. The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
4. In our opinion, the Profit & Loss Account and Balance Sheet generally comply with the accounting standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
5. On the basis of the written representation received from the directors, as on 31st March, 2002, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31-03-2002 from being appointed as a director in terms of clause(g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view subject to :-
 - a) Note No. B (3) regarding non amortisation of the Miscellaneous expenditure upto 31st March, 2002 to the extent of Rs. 51.23 Lacs (previous year Rs. 51.23 Lacs).
 - b) Note No. B (4) regarding non reconciliation of the share application money received in respect of equity shares offered to the public in September, 1990.
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2002 and
 - ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date.

For VINAY AGGARWAL & ASSOCIATES
Chartered Accountants

Place : New Delhi
Dated : 31.07.2002

Sd/-
(VINAY AGGARWAL)
Partner