

# *Annual Report*

## *2002-2003*

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**BCC FUBA INDIA LIMITED**

# **BCC FUBA INDIA LIMITED**

## **17th Annual Report**

### **BOARD OF DIRECTORS**

1. MR. V. S. BHAGAT	CHAIRMAN & MANAGING DIRECTOR
2. MRS. RENU BHAGAT	DIRECTOR
3. MR. A. P. MATHUR	DIRECTOR
4. MR. SWARANJIT SINGH	DIRECTOR
5. MR. VEENU PASRICHA	DIRECTOR
6. MR. S. K. BANERJEE	WHOLE TIME DIRECTOR
7. MR. WALTER DRACH	DIRECTOR

### **COMPANY SECRETARY**

MR. R.S.TIWARI

### **AUDITORS**

**VINAY AGGARWAL & ASSOCIATES**  
Chartered Accountants  
E-67, (LGF), Greater Kailash-III  
(Masjid Moth), New Delhi-110048

### **INTERNAL AUDITORS**

**S.MALHOTRA & CO.**  
Chartered Accountants  
E-513, Greater Kailash-II  
New Delhi - 110048

### **REGD. OFFICE & WORKS**

: 4km., Swarghat Road, Nalagarh-174 101  
Dist. Solan, Himachal Pradesh.

### **HEAD OFFICE**

: C-136, 1st Floor  
Defence Colony, New Delhi-110024

### **SHARETRANSFER AGENT**

: Intime Spectrum Registry Ltd.  
A-31, IIIrd Floor, Naraina Industrial Area,  
Phase-I, New Delhi-110028  
Ph.: 51410592-94

**NOTICE**

Notice is hereby given that the 17th Annual General Meeting of the members of **M/s. BCC FUBA INDIA LIMITED** will be held on Monday the 22nd day of September, 2003 at 10.30 A.M. at the Registered 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 2003 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. A. P. Mathur 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 of Rs. 30,000/- for the statutory audit of accounts for the year 2003-2004."

**SPECIAL BUSINESS**

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

"RESOLVED THAT Mr. Walter Drach be and is appointed as director of the Company liable to retire by rotation."

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

"RESOLVED THAT appointment of Mr. S. K. Banerjee as Whole-time Director of the Company made by the Board of Directors in their meeting held on 31.10.02 be and is hereby approved."

"RESOLVED THAT in accordance with the provisions of Section 198, 269 read with Schedule XIII, 309,310,311 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and in terms of Article 85 of the of the Articles of Association, consent of the Company be and is hereby accorded to the reappointment of Mr. S. K. Banerjee, as Whole-time Director of the Company for a period of one year w.e.f. 31.10.2003 up on remuneration as detailed below and with such powers and duties may from time to time require him to exercise."

<b>Basic Salary</b>	: Rs. 12,750/- p.m
<b>H.R.A</b>	: Rs. 4,685/- p.m
<b>Conveyance</b>	: Rs. 2,925/- p.m
<b>Total</b>	<u>Rs. 20,360/- p.m</u>

**Perquisites:**

1. As per Rules of the company
2. Leave Travel Concession for self and family in accordance with the Rules of the company.
3. Leave on full pay and allowance as per rules of the company.
4. Gratuity payable as per Rules of the company.
5. Benefits of Provident fund and superannuation as per the Rules of the company
6. Benefits of mediclaim as per the rules of the company

RESOLVED FURTHER THAT the remuneration payable to Mr. S.K. Banerjee will be governed in accordance with Section II of Part II of Schedule XIII of the Companies Act, 1956 in the event of the Company suffering loss or having inadequate profits in any accounting year.

6. To consider and if thought fit to pass with or without modification(s), the following resolution as an special resolution:

RESOLVED THAT in terms of SEBI (De-listing of Securities) Guidelines, 2003 and also Guidelines/ Notifications issued/to be issued by SEBI from time to time and subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) 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 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 deem to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution), consent is hereby accorded to the Board to get the Equity shares of the company be de-listed from the Stock Exchanges Ludhiana, Delhi, Kolkatta and Ahmedabad.

**By order of the Board of Directors**

Place : Nalagarh  
Date : 30.06.2003

Sd/-  
(R. S. Tiwari)  
Company Secretary

**Notes :**

1. Explanatory statement for the item no. 3,4,5 & 6 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 hrs. before the time of meeting.
4. The Register of members and share transfer books of the company will remain closed from 15.09.2003 to 22.09.2003(both days inclusive)
5. Members desiring any information on the accounts at the Annual General Meeting are requested to write to Company at least 7 (seven) days in advance, so as to enable the Company to keep the information ready.
6. Members are requested to bring their copies of the Annual Report to the Meeting because copy of the same will not distributed at the meeting.
7. Members are requested to inform immediately any change in their address to the Company's share transfer Agents.
8. All communications relating to shares are to be addressed to the Company's Share Transfer Agents M/s Intime Spectrum Registry Limited of A-31, 3rd Floor, Naraina Industrial Area, Phase-I, Near PVR, Cinema, New Delhi-110028

**ANNEXURE TO THE NOTICE**

(Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.)

**Item No.3**

In terms of Articles 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.4**

Mr. Walter Drach was appointed as an additional director of the Company by the Board of Directors. 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 along with requisite deposit from a member proposing his name for appointment as Director retiring by rotation.

None of the Director is interested in this Resolution. Members are requested to consider his appointment and pass the said Resolution.

**Item No.5**

Shri S.K Banerjee was appointed as whole-time director on 31.10.2002 for a period of one year. During this short span of time he proved his credibility and Board of Directors considering his excellent performance reappointed him as whole-time Director of the company for a further period of one year subject to the approval of shareholders in the ensuing Annual General Meeting. The members are requested to accord their approval for the re-appointment of Shri S.K. Banerjee by passing the resolution as set out at Sr. No. 5.

None of the Directors except Mr. S.K. Banerjee is concerned or interested in the resolution. This may be treated as the abstract of the terms and conditions of re-appointment of the Directors under Section 302 of the Companies Act, 1956.

**Item No.6**

At present our Equity Shares are listed on the following Stock Exchanges:

- (a) The Calcutta Stock Exchange Association Limited
- (b) The Stock Exchange Ahmedabad
- (c) Delhi Stock Exchange Association Limited
- (d) The Ludhiana Stock Exchange Association Limited
- (e) The Stock Exchange, Mumbai

Management of the company observe that trading volumes of your equity shares on Kolkatta, Ludhiana, Ahmedabad and Delhi have been very low or better to say nil during the past few years.

Keeping in view of the trading volume of our securities on the floor of these Stock Exchanges and as a part of cost reduction measures consent of all of you has been obtained for de-listing of the Equity shares at the Annual General Meeting held on 29.09.2001 in terms & conditions of the SEBI's Guidelines for voluntary de listing of the shares applicable on that date.

In the meanwhile a new Guideline vide circular no. SMD/Policy/ Cir-7/2003 dt.17.02.2003 has been issued by SEBI for voluntary de-listing of shares. As per the new Guidelines Exit opportunity need not be given in case where securities continue to be listed in a Stock Exchange having nationwide terminals. Your Company's shares are listed and traded with Mumbai Stock Exchange with the net working facilities of B.S.E. the members of the Company have access to on line dealing in the Company's Equity shares across the country. Trading volumes on Ahmedabad, Kolkatta, Ludhiana and Delhi are very low. The proposed de-listing of the Company's equity Shares from Ahmedabad, Kolkatta, Ludhiana and Delhi will not therefor, adversely effect any investor including the members located in the regions as company's equity shares will continue to be listed on Mumbai Stock Exchanges.

In view of the above and as a matter of abundant caution your directors recommend members approval by way of special resolution for de-listing company's equity shares from Ahmedabad, Kolkatta, Ludhiana and Delhi.

None of the Directors is any way concerned or interested in the resolution.

**By order of the Board of Directors**

Place : Nalagarh  
Date : 30.06.2003

Sd/-  
(R. S. Tiwari)  
Company Secretary

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

**Dear Members,**

Your Directors have pleasure in presenting the 17th Annual Report and the audited Accounts of the Company for the financial year ended 31st March 2003

**FINANCIAL RESULTS**

	<b>2002-03</b>	<b>(Rs. in lacs)</b>	<b>2001-02</b>
Turnover	<b>510.04</b>		655.65
Profit/(loss) before interest & Depreciation	<b>36.77</b>		65.52
Interest	<b>63.85</b>		64.72
Profit/(Loss) before depreciation	<b>(27.08)</b>		0.80
Depreciation	<b>70.66</b>		65.41
Net Profit(loss)	<b>(97.74)</b>		(64.61)

**DIVIDEND**

The directors do not recommend any dividend for the year.

**OPERATIONAL HIGHLIGHT**

It is heartening to note that the Company has been able to sell more in terms of quantity and in the year 2003-2004 the target fixed for Production of 16000 Sq. mtrs , 60% more than that of the last year. As our production is restricted because of drilling capacity, it has been decided to increase its capacity by addition of 4 more spindles. This increased capacity will result in increased profit in the year 2003-2004.

**DIRECTORS**

Mr. A. P. Mathur, Director of the Company retires by rotation at the ensuing Annual General Meeting. He, being eligible, has offered himself for re-appointment. As his continued presence on the board is of immense importance to the company, your directors recommended his re-appointment.

Shri S.K. Banerjee, was appointed whole-time Director of the company on 31.10.2002 for a period of one year. And his present tenure is going to expire on 30.10.2003. His present tenure has been very much satisfactory. His continued presence on the board is of immense importance to the Company, therefore your directors recommend to re-appoint him for a further period of one year.

Shri Reinhard Schuelein, who was appointed as additional director, has resigned from the board. The board places on record its appreciation for his valuable contribution during his tenure as Director.

Shri Walter Dutch was appointed as additional director on the board on 30.06.2003 and your company is in receipt of notice for appointing him as director on the Board under section 257 of the Companies Act, 1956. The company recommend for 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(1 B) of the Companies Act, 1956, has been received.

**FIXED DEPOSIT:**

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 Association Limited, The Stock Exchange Mumbai, The Delhi Stock Exchange Association Limited, The Stock Exchange Ahmedabad and the Calcutta Stock Exchange Association Limited.

The company proposes to delist the equity shares from all the Stock Exchanges except the Stock Exchange Mumbai and the board of directors proposed a resolution to be passed by Shareholders in this Annual General Meeting giving consent to delist the shares from the all stock exchanges except the BSE complying with the provision of SEBI circular No. SMD/Policy/ Cir-7/2003.



**DEPOSITORY SYSTEM**

As per the SEBI Guidelines to have a common share transfer agent for all of the works related to physical and Demat form of shares, M/s. Intime Spectrum Shares Registry Limited having office at A-31, 3rd Floor, Naraina Industrial Area, Phase-1, New Delhi-110028 have been appointed as share transfer agent. All the members are requested to contact them for any kinds of shares related matters.

**Implementation of the Corporate Governance:**

As per the clause 49 of the listing Agreement, your Company has constituted the following committees:

**Shareholders Grievances Committee:**

Mr. A.P. Mathur is the Chairman and Mr. V.S. Bhagat and Mr Swarnjit Singh are the members of the committee. Meeting of the shareholders grievances will be held at the regular intervals to sort out any kinds grievances of the investors.

**Remuneration Committee:**

Mr. Swarnjit Singh is the Chairman and Mr. A.P. Mathur and Mr. Veenu Pasricha are the members of the committee. Committee will review the remuneration of executive directors in terms of their performance and other related matters of trade and industries.

**Audit Committee:**

Mr. A.P. Mathur is the Chairman and Mr. Swarnjit Singh and Mr. Veenu Pasricha are the members of the committee. The duties, responsibilities and powers of the committee have been defined by the Board at the time of its constitution.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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 judgments 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, 2003 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 statements on a going concern basis.

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

The auditors report on the accounts of the Company is self explanatory.

**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 Exchanges earnings and out go as per Section 217(l)(e) of the Companies Act, 1956 read with Companies (Disclosure of the particulars in the Report of Board of Directors) Rules 1988, are given in annexure "1" 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.

**ACKNOWLEDGEMENT:**

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

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

By order of the Board of Directors

Place: Nalagarh  
Date: 30.06.2003

Sd/-  
(V.S. BHAGAT)  
Chairman & Managing Director

**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, 2003.

**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**

	<u>Current Year</u>	<u>Previous Year</u>
(a) Purchased		
- Units	12,54,292	13,58,553
- Total Amt. (Rs. in Lacs)	35.75	38.96
- Rate per Unit (Rs.)	2.85	2.86
(b) Own Generation		
i) Through Diesel generator		
- Units	38,818	40,849
- Units per lt. of diesel Oil	3.03	2.83
- Cost per units (Rs.)	6.32	5.87
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	<b>Printed Circuit Boards</b>	
Electricity consumed	126.75 units	121.00 units
Per sq.mtr.	(Rs.374.48)	(Rs.357.90)

**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 boards with SMT pads.



**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

	<b>2002-03</b> <b>(Rs. in Lacs)</b>	<b>2001-02</b> <b>(Rs. in Lacs)</b>
<b>A. FOREIGN EXCHANGE USED</b>		
1. Travelling expenses	<b>0.69</b>	<b>1.64</b>
2. Raw materials/chemicals/ stores and spares etc. imported	<b>127.07</b>	<b>185.77</b>
3. Others	<b>0.11</b>	<b>1.46</b>
<b>B. FOREIGN EXCHANGE EARNED</b>	<b>29.82</b>	<b>28.85</b>

**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 the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31 March, 2003.

Name of the Employee	:	Mr. V.S. Bhagat
Age	:	62 Years
Designation/	:	Chairman & Managing Director
Nature of Duties	:	Looking after the Company's affairs
Gross remuneration	:	16,44,000
Qualification	:	B.A. (Hons) in Economics
Experience	:	40 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 & Mr. Veenu Pasricha, Director.
2. Remuneration received includes Gross salary, Employer's Contribution towards provident fund, medical reimbursement, cost of hiring leased/ consessional leased accommodation.
3. There is no employee in the Company, who is in receipt of remuneration in excess of that drawn by Chairman and Managing Director and holds himself or alongwith his spouse and dependent children, not less than two percent of the equity shares of the company.

**CORPORATE GOVERNANCE****1. Company's philosophy on code of corporate governance:**

Corporate Governance emphasizes the principle of self-governance. This principle may be new for rest of the world but since the time of civilization our glorious past taught us the lesson of self-governance. We have been following the spirit of corporate governance since the date of incorporation of the company but as per the guidelines of regulatory authority i.e. SEBI we are accountable to implement the same on or before 31.03.2003. We have implemented the same as per Clause 49 of the Listing Agreement.

The theme of corporate governance is based on the principle of working in a disciplined manner, at the time decision law of natural justice must prevail and to work in the best interest of all the constituent of team i.e. Shareowners, customers, Bank, employees and all others.

**2. Board of Directors**

The Board of Directors consists of 7 Directors.

Composition and category of Director is as follows:

Executive Directors :	Shri V.S.Bhagat Shri S.K.Banerjee
Promoters/ Non-executive Directors	Smt. Renu Bhagat
Non-executive and Independent Directors	Shri A.P.Mathur Shri Veenu Pasricha Shri Swaranjit Singh Shri Walter Drach (From 30.06.2003) Shri Reinhard Scheulin (upto 30.06.2003)

Composition, Attendance at the Board Meetings and the last Annual General Meeting, Outside Directorships and other Board Committees

Director	No. of Board meetings attended	Attendance at previous AGM on 20.09.2002	No. of outside Director -ship held	No. of member-ship/chair-manship in Committees	Executive/Non-executive/ Independent
Mr. V.S.Bhagat	4	Present	5	1	Executive
Mr. S.K.Banerjee	1	Absent	-	-	Executive
Mrs. Renu Bhagat	4	Present	3	-	Non executive
Mr. A.P.Mathur	4	Present	3	3	Non-executive and independent
Mr. Swaranjit Singh	2	Absent	1	3	Non-executive and independent
Mr. Veenu Pasricha	4	Present	3	2	Non-executive and independent
Mr. Reinhard Scheulin	-	-	-	-	Non-executive and independent

**3. Number of Board meetings held and the date on which held**

4 Board meeting were held during the year. The dates on which the meetings were held are as follows;

30th day of April 2002

31st day of July 2002

31st day of October 2002

30th day of January 2003