

18th Annual Report 2003-2004



Report Junction.com

BCC FUBA INDIA LIMITED

BCC FUBA INDIA LIMITED

18th Annual Report

BOARD OF DIRECTORS

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

COMPANY SECRETARY

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
Distt. Solan, Himachal Pradesh.

HEAD OFFICE

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

SHARE TRANSFER AGENT

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

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the members of M/s. BCC FUBA INDIA LIMITED will be held on Tuesday the 28th day of September, 2004 at 2.30 P.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 2004 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 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 2004-2005.

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 pursuant to the provisions of Section 269, 198, 309, 310 and 311 and all other applicable provisions of the Companies Act, 1956 (hereinafter referred to as 'the Act') read with Schedule XIII of the Act and subject to the approval of Central Government, if required, the Company hereby accords its approval to the reappointment of Mr. V.S. Bhagat as Chairman and Managing Director of the Company for further period of 5 years w.e.f 15.07.2004 on such terms and conditions and remuneration as set out in the agreement deed executed on 05.07.1999 and further modified by the Board of Directors in their meeting held on 25.07.2000 and approved by the shareholders in their meeting held on 21.09.2000."

"RESOLVED FURTHER THAT in the event where in any financial year during the currency of tenure of Mr. V.S. Bhagat, the company has no profits or its profits are inadequate it may pay a remuneration to Mr. V.S. Bhagat the total of which will not exceed the ceiling limit as specified in Section II Part II (B) of Schedule XIII of the Act unless the consent of the Central Government is obtained."

"RESOLVED FURTHER THAT all other terms and conditions of Mr. V.S. Bhagat's appointment as contained in Draft Agreement shall remain in full force until revised by the Board."

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

"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 modification or re-enactment thereof, for the time being in force) and in terms of Article 85 of the Articles of Association of the Company, Mr. S.K. Banerjee be and is hereby appointed as Whole-time Director of the Company for a period of one year w.e.f. 31.10.2004 up on remuneration as detailed below and with such powers and duties, which may be required of him from time to time:

Basic Salary	: Rs. 13,800/- p.m
H.R.A	: Rs. 6,200/- p.m
Conveyance	: Rs. 3,600/- p.m
Total	<u>Rs. 23,600 /- p.m .</u>

Perquisites:

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

By order of the Board of Directors

Place: New Delhi
Date: 29.06.2004

Sd/
(R. S. Tiwari)
Company Secretary

NOTES:

1. Explanatory statements for the item no. 3,4 and 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 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 the share transfer books of the company will remain closed from 20.09.2004 to 28.09.2004(both days inclusive).
5. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company atleast 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 Agent.
8. All communications relating to shares are to be addressed to the Company's Share Transfer Agent M/s. Intime Spectrum Registry Limited of A-31, 3rd Floor, Naraina Industrial Area, Phase-I, Near PVR Cinema, New Delhi-110028.

ANNEXTURE 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

The Board of Directors in their meeting held on 29.06.2004 reappointed Mr. V.S. Bhagat, Chairman and Managing Director of the Company, subject to the approval of Shareholders in their Annual General Meeting, for a further period of five years keeping in view the untiring efforts, experience, ability and greater responsibilities on his shoulder and also the profound knowledge and vast working experience and his financial acumen and also the fact that he has been steering the finances of the Company in such difficult times. The members are requested to accord their approval for the re-appointment of Shri V.S. Bhagat, as Chairman and Managing Director, by passing the resolution as set out at Sr. No 4. of the Notice.

Mrs. Renu Bhagat and Mr. Veenu Pasricha are related to Mr. V.S. Bhagat and therefore they may be deemed concerned or interested in the resolution.

This may be treated as the abstract of the terms and conditions of re-appointment of the Director under Section 302 of the Companies Act, 1956.

Item No. 5

Present Tenure of Shri S.K Banerjee as Whole-time Director is going to end on 31.10.2004. Board of Directors reviewing and 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. 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 Director under Section 302 of the Companies Act, 1956.

By order of the Board of Directors

Place: New Delhi
Date: 29.06.2004

Sd/
(R. S. Tiwari)
Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 18th Annual Report and the audited Accounts of the Company for the financial year ended 31st March 2004

FINANCIAL RESULTS

	(Rs. in lacs)	
	2003-04	2002-03
Turnover	816.88	510.04
Profit/(loss) before interest & Depreciation	157.30	36.77
Interest	77.71	63.85
Profit/(loss) before depreciation	79.59	(27.08)
Depreciation	71.00	70.66
Net Profit/(loss)	8.59	(97.74)

DIVIDEND

The directors do not recommend any dividend for the year.

OPERATIONAL HIGHLIGHT

1. Burgeoning market always witness two contradictory phenomena. On the one hand the cost of raw materials soars as the suppliers are unable to expand their facilities fast enough to cope with increasing demand. On the other hand prices of finished products nose dive as creation of excess capacity leads to undercutting. Thus the manufacturer is squeezed from both sides. This is the situation obtaining in the PCB market today.
2. The only way out of this impasse is to produce more and more thereby reducing the incidence of all types of overheads per unit.
3. With this in mind the Company had set a target of producing 16000 sq.m of PCB's for the year 2003-04. It is matter of rejoice that in the current year we could produce 18000 m2 by increasing the capacity in the drilling section. Turnover of the Company for the year ended March 2004 grew by 60.16% to Rs. 816.88 Lacs consequently earning a net profit of Rs. 8.59 Lacs as compared to a loss of Rs. 97.74 Lacs in the previous year 2002-2003.
4. We have set a target of 17% growth in production for the year 2004-2005. The target of producing twenty one thousand square meters of PCB's has been set for the year 2004-05. While it is a stiff target it is not an impossible target.
5. Another factor engaging the attention and efforts of Management is that as production increases rejection and rework also tend to increase in percentage terms since the focus at all levels shifts from rejection and rework control to enhancement of production which is quite human. In April 04- March 05 it is hoped that status quo will be maintained even if no improvement in this area is achieved.

DIRECTORS

Mr. Veenu Pasricha 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.

Sh. V.S. Bhagat has been serving the company as a Director since the date of incorporation of the Company. He has been reappointed as Chairman and Managing Director of the Company by the Board of Directors taking into consideration his experience, ability profound knowledge, vast working experience and his excellent financial acumen.

Present tenure of Shri S.K. Banerjee as whole time Director is going to expire on 31.10.2004. 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.

The Board of Directors noted sad demise of Sh. Swaranjit Singh and took on record his valuable services provided during his tenure as Director.

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 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 had proposed to delist the equity shares from all the Stock Exchanges except the Stock Exchange Mumbai and the proposal for delisting is under consideration before the The Delhi Stock Exchange Association Limited, The Stock Exchange Ahmedabad, Ludhiana Stock Exchange Association Limited and the Calcutta Stock Exchange Association Limited.

DEPOSITORY SYSTEM

As per the SEBI Guidelines it is required 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-I, New Delhi-110028 have been associated with us as share transfer agent. All the members are requested to contact them for any kinds of matters related to shares.

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, 2004 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(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of the 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.

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

Sd/

(V.S. BHAGAT)

Chairman & Managing Director

Place: New Delhi

Date: 29.06.2004

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 2004.

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' is given hereunder.

FORM 'A'**A. POWER AND FUEL CONSUMPTION****1. Electricity**

	<u>Current Year</u>	<u>Previous Year</u>
(a) Purchased		
- Units	17,48,812	12,54,292
- Total Amt. (Rs. In Lacs)	46.38	35.75
- Rate per Unit (Rs.)	2.65	2.85
(b) Own Generation		
i) Through Diesel generator		
- Units	47,438	38,818
- Units per lt. of diesel oil	3.04	3.03
- Cost per unit (Rs.)	6.69	6.32
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	97.96 units	126.75units
Per sq.mtr.	(Rs.272.16)	(Rs.374.48)

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:

	2003-2004 (Rs. in Lacs)	2002-2003 (Rs. in Lacs)
B. FOREIGN EXCHANGE USED		
1. Traveling expenses	3.33	0.69
2. Raw materials/chemicals/ Stores and spares etc. imported	188.87	127.07
3. Plant & Machinery	6.93	Nil
4. Others	0.24	0.11
C. FOREIGN EXCHANGE EARNED	90.76	29.82

ANNEXURE-II

Particulars of Employees 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 2004.

Name of the Employee	: Mr. V.S. Bhagat
Age	: 63 Years
Designation/ Nature of Duties	: Chairman & Managing Director/looking After the Company's affairs
Gross remuneration	: 16,44,000
Qualification	: B.A. (Hons) in Economics
Experience	: 41 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 Managing Director and holds himself or alongwith his spouse and dependent children, not more 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. We have been following the spirit of corporate governance since the date of incorporation of the company. We take utmost care to protect the interest of shareholders. Our main objective is to do justice with every one associated with us and follow the theme of corporate governance in spirit and not in word.

2. Board of Directors

The Board of Directors consists of 6 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 Swarnjit Singh (Expired on 18.06.2004) Shri Walter Drach

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 22.09.2003	No. of outside Director -ship held	No. of member-ship/Chair-manship in Committees	Executive/Non-executive/ Independent
1. Mr. V.S.Bhagat	4	Present	5	1	Executive
2. Mr. S.K.Banerjee	2	Present	-	-	Executive
3. Mrs. Renu Bhagat	4	Present	3	-	Non executive
4. Mr. A.P.Mathur	4	Absent	3	3	Non-executive and independent
5. Mr. Swarnjit Singh	3	Absent	1	3	Non-executive and independent
6. Mr. Veenu Pasricha	3	Present	3	2	Non-executive and independent
7. Mr. Walter Drach	-	Absent	-	-	Non-executive and independent

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

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

30th day of June 2003

31st day of July 2003

30th day of October 2003

30th day of January 2004