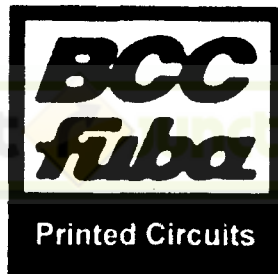


**19th
Annual Report
2004-2005**



BCC FUBA INDIA LIMITED

BCC FUBA INDIA LIMITED

19th 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. R. M. MEHTA	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
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

BANKER

: State Bank of Patiala

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the members of M/s. BCC FUBA INDIA LIMITED will be held on Friday the 30th day of September, 2005 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;

- 1 To receive, consider and adopt the audited Balance Sheet as at 31st March 2005 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 appoint a Director in place of Mr. Walter Drach 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 2005-2006.

SPECIAL BUSINESS

- 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 reappointed as Whole-time Director of the Company for a period of one year w.e.f. 31.10.2005 on remuneration as detailed below and with such powers and duties, which may be required of him from time to time:

Basic Salary	:	Rs. 14,900/- p.m.
H.R.A	:	Rs. 6,800/- p.m.
Conveyance	:	Rs. 3,900/- p.m.
Total		<u>Rs. 25,600/- 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 fund as per Rules of the company
6. Benefits of mediclaim as per Rules of the company

RESOLVED FURTHER THAT the remuneration payable to Mr. S.K.Banarjee 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. Appointment of Mr. R.M.Mehta as Director:

"RESOLVED THAT Mr. R.M.Mehta, who was appointed as Additional Director by the Board of Directors and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation.

By order of the Board of Directors

Place : New Delhi
Date : 30.06.2005

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

NOTES:

1. Explanatory statements for the item no. 4, 5 and 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 the share transfer books of the company will remain closed from 22.09.2005 to 30.09.2005 (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 Agents.
6. 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.

ANNEXTURE TO THE NOTICE**Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.****Item No. 4.**

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. 5

Present Tenure of Shri S.K Banerjee as whole-time director is going to end on 31.10.2005. 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.

Item No. 6

Mr. R.M.Mehta was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956. In terms of the said Section, Mr. R.M. Mehta holds office only up to the ensuing Annual General Meeting of the company.

Notice in writing under section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose Mr. R.M.Mehta as a Director of the Company.

Mr. R.M.Mehta is interested in the resolution since it relates to his appointment.

Mr. R.M.Mehta's introduction in brief:

The Board of Directors have taken Mr. R.M.Mehta on the Board considering his excellent professional and academic career as bureaucrat, trustworthiness, experience and ability to face new challenges. Mr. Mehta's has wide knowledge and experience of administrator and legal expert. He retired as Vice President, Income Tax Appellate Tribunal (Ministry of Law and Justice) Government of India. His Guidance would be beneficial to the Company. The Board recommend that he be appointed as a Director liable to retire by rotation.

By order of the Board of Directors

Sd/-

(R. S. Tiwari)

Company Secretary

Place : New Delhi

Date : 30.06.2005

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 19th Annual Report and the audited Accounts of the Company for the financial year ended 31st March 2005.

FINANCIAL RESULTS

	(Rs. in lacs)	
	2004-05	2003-04
Turnover	1022.42	816.88
Profit/(loss) before interest & Depreciation	181.60	157.30
Interest	85.38	77.71
Profit/(loss) before depreciation	96.22	79.59
Depreciation	72.76	71.00
Net Profit/(loss)	23.46	8.59

DIVIDEND

The directors do not recommend any dividend for the year.

OPERATIONAL HIGHLIGHT

Despite anemic conditions in almost all markets for sophisticated Printed Circuit Board industry, the Company's Net profit in the 2005 fiscal year was significantly greater than its Net profit in the 2004 fiscal year as a result of the Company's reductions of its Selling, Administrative and other overhead costs and expenses and higher percentages of sales of higher margin products.

CAPITAL STRUCTURE:

During the year under review, the share capital of your company remained unchanged.

DIRECTORS

Mr. A.P. Mathur and Mr. Walter Drach 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 their re-appointment.

Present tenure Shri S.K.Banarjee as whole time Director is going to expire on 31.10.2005. 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.

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 shares related matters.

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, 2005 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.

CORPORATE GOVERNANCE:

Your Company strive to imbibe high standards of corporate governance while interacting with its stakeholders. The Company has complied with the corporate governance code as stipulated under the listing agreement with the stock exchange. A separate annexure on corporate governance along with a certificate from the auditors confirming the level of compliance is annexed and forms a part of the Directors' report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The report as required under the listing agreements with the Stock Exchanges is annexed and forms part of the Directors' 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 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

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 2005.

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	20,59,374	17,48,812
- Total Amt.(Rs. In Lacs)	61.06	46.38
- Rate per Unit (Rs.)	2.96	2.65
(b) Own Generation		
i) Through Diesel generator		
- Units	70,260	47,438
- Units per lt.of diesel Oil	3.14	3.04
- Cost per unit (Rs.)	8.01	6.69
ii) Through steam turbine/ generator	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Others Internal Generation	Nil	Nil

CONSUMPTION PER UNIT OF PRODUCTION

Product	Printed Circuit Boards	
Electricity consumed	98.5 units	97.96units
Per sq.mtr.	(Rs.308.52)	(Rs.270.25)

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 boards with SMT pads.

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

	<u>2004-2005</u> (Rs. in Lacs)	<u>2003-2004</u> (Rs. in Lacs)
B. FOREIGN EXCHANGE USED		
1. Traveling expenses	Nil	3.33
2. Raw materials/chemicals/ Stores and spares etc. imported	301.58	188.87
3. Plant & Machinery	0.13	6.93
4. Others	Nil	0.24
C. FOREIGN EXCHANGE EARNED	102.59	90.76

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 2005.

Name of the Employee	: Mr. V.S. Bhagat
Age	: 64 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	: 42 years
Date of Commencement of Employment	: 01-04-1990
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 less than two percent of the equity shares of the company.

BCC FUBA INDIA LIMITED**CORPORATE GOVERNANCE****1. Company's philosophy on code of corporate governance:**

Corporate Governance emphasizes the principle of self-governance. Good corporate governance goes beyond compliance and involves a company wide commitment. 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 seven 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 R.M. Mehta 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 28.09.2004	No. of outside Director -ship held	No. of member-ship/Chair-manship in Committees	Executive/Non-executive/ Independent
1. Mr. V.S.Bhagat	5	Present	5	1	Executive
2. Mr. S.K.Banerjee	3	Present	—	—	Executive
3. Mrs. Renu Bhagat	4	Present	3	1	Non executive
4. Mr. A.P.Mathur	3	Absent	2	3	Non-executive and independent
5. Mr. R.M.Mehta	2	Absent	—	2	Non-executive and independent
6. Mr. Veenu Pasricha	5	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;

8 th day of April 2004

29th day of June 2004

30th day of July 2004

29th day of October 2004

29th day of January 2005