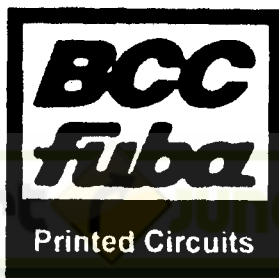


**20th  
Annual Report  
2005-2006**



**BCC FUBA INDIA LIMITED**

# BCC FUBA INDIA LIMITED

## 20th Annual Report

### BOARD OF DIRECTORS

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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. WALTER DRACH	DIRECTOR

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### COMPANY SECRETARY

MR. R. S. TIWARI

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### 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

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### 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: 41410592-94

### BANKER

: State Bank of Patiala  
Sector-7C, SCO 3/A  
Chandigarh - 160019

**NOTICE**

Notice is hereby given that the 20th Annual General Meeting of the members of M/s. BCC FUBA INDIA LIMITED will be held on Wednesday the 20th day of September, 2006 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 2006 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 2006-2007.

"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 2006-2007.

**By order of the Board of Directors**

Place : New Delhi  
Date : 30.06.2006

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

**NOTES:**

1. Explanatory statements for the item no. 3 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 10.09.2006 to 20.09.2006 (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.
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.

**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.

**By order of the Board of Director**

Place : New Delhi

Date : 30.06.2006

Sd/-

(R. S. Tiwari)

Company Secretary

Report  Junction.com

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

Dear Members,

Your Directors have pleasure in presenting the 20th Annual Report and the audited Accounts of the Company for the financial year ended 31st March 2006

**FINANCIAL RESULTS**

	<u>(Rs. in lacs)</u>	
	<u>2005-06</u>	<u>2004-05</u>
Turnover	847.78	1022.42
Profit/(loss) before interest & Depreciation	133.11	181.60
Interest	74.10	85.38
Profit/(loss) before depreciation	59.01	96.22
Depreciation	72.98	72.76
Net Profit/(loss)	(13.97)	23.46

**DIVIDEND**

The directors do not recommend any dividend for the year.

**OPERATIONAL HIGHLIGHT**

Financial performance of the company has not been satisfactory. Revenues for the year ended 31.03.2006 were Rs. 850.61 lacs, compared to Rs. 1028.61 lacs for the corresponding period 2005.

Gross Profit for the year ended was Rs. 59.01 lacs, compared to Rs. 96.22 for the corresponding period in 2005. The decline in gross margins was attributable to the poor realization value of the products. The first two quarters of the financial year under review has been disappointing in term of less realization but last two quarter shown better performance and reduced the gross loss.

**DIRECTORS**

Mr. S.K. Banerjee resigned from the Board of Directors and his resignation was accepted by the Board of Directors in their meeting held on 25.01.2006.

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 recommend his re-appointment.

**CAPITAL STRUCTURE:**

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

**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, Bombay Stock Exchange limited, 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 Bombay Stock Exchange 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.

#### **THE CORPORATE GOVERNANCE CODE**

Implementation of Corporate governance is a turning point in bringing the transparency in the regulation and administration of corporate matter. We have implemented the corporate governance in spirit having vision to bring the complete discipline between the function and corporate regulation.

As a proactive step your Company has been following the Corporate Governance practices like striking out reasonable balance in the Composition of Board of Directors, setting up Audit Committee and other Business to be deliberated by the Board etc, even before the code mandatory applicable.

A report in line with the requirements of clause 49 of the listing agreement on the Corporate Governance practices followed by the Company and the Auditors' Certificate on Compliance of mandatory requirements along with Management Discussion and Analysis, are given as an annexure to the report.

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

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

#### **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.

#### **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, 2006 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.

#### **CEO CERTIFICATION**

Chairman & Managing Director has certified to the Board that:

1. We have reviewed financial statements and the cash flow statements for the year and that to the best of our knowledge and belief:
  - (a) These statements do not contain any materially untrue statement or omit any material statements that might be misleading.

**BCC FUBA INDIA LIMITED**

- (b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
  3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take rectify these deficiencies.
  4. We have brought to notice of the auditors and the Audit Committee all the material transactions which have substantial effect on the financial health of the company.

**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**

Place : New Delhi  
Date : 30.06.2006

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

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

	2005-2006 (Rs. in Lacs)	2004-2005 (Rs. in Lacs)
<b>FOREIGN EXCHANGE USED</b>		
1. Traveling expenses	Nil	Nil
2. Raw materials/chemicals/ Stores and spares etc. imported	257.09	301.58
3. Plant & Machinery	2.87	0.13
4. Others	Nil	Nil
<b>FOREIGN EXCHANGE EARNED</b>	67.42	102.59

**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 2006.

Name of the Employee	: Mr. V.S. Bhagat
Age	: 65 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	: 43 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/ concessional 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



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

Corporate Governance emphasizes the principle of self-governance. The Company's philosophy on Corporate Governance is focused upon a rich legacy of fair, ethical and transparent governance practices. 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. The Company is in full compliance with the requirements under Clause 49 of the Listing Agreement with the Stock Exchanges.

**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
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 30.09.2005	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. Mrs. Renu Bhagat	5	Present	3	1	Non executive
3. Mr. A.P.Mathur	4	Present	1	3	Non-executive and independent
4. Mr. R.M.Mehta	4	Absent	—	2	Non-executive and independent
5. Mr. Veenu Pasricha	4	Absent	3	2	Non-executive and independent
6. Mr. Walter Drach	—	Absent	—	—	Non-executive and independent

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

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

8th day of April 2005  
 30 th day of June 2005  
 30h day of July 2005  
 29th day of October 2005  
 25th day of January 2006

