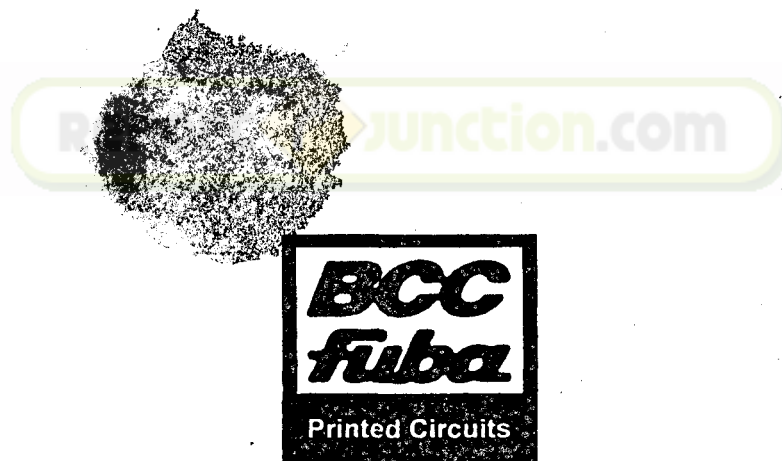


21st Annual Report 2006-2007



BCC FUBA INDIA LIMITED

BCC FUBA INDIA LIMITED

21st 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. 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-40, 2nd Floor, Naraina Industrial Area, Phase-II,
Near Batra Banquet Hall, New Delhi - 110028
Phone: 41410592-94

BANKER

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

BCC FUBA INDIA LIMITED**NOTICE**

Notice is hereby given that the 21st Annual General Meeting of the members of M/s. BCC FUBA INDIA LIMITED will be held on Friday the 28th day of September, 2007 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 2007 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. Ravi Mohan Mehta 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 2007-2008.

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 149(2A) of the Companies Act, 1956 consent of the shareholders of the Company be and is hereby given for the commencement of new business along with the main object of the company as stated in "other objects" clause at Sl. No.1 in paragraph III (C) of the Memorandum of Association of the company as under:

"To manufactures, formulate, develop, buy; sell and deal in mineral water, wines, coordinates, liquors, broths and other restoratives in foods especially those suitable or deemed to be suitable for infants, invalids and convalescents and also to manufacture or deal in contraceptives, artificial eyes, hospital requisites and vaccines."

By order of the Board of Directors

Place : New Delhi
Date : 31.05.2007

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

NOTES:

1. Explanatory statements for the item no. 3 and 4 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 22.09.2007 to 28.09.2007 (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 be 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-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, 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

The Board of Directors have recommended to carry on the business of manufacturing and trading of Wine. The Indian wine industry has been steadily growing over the last ten years. Wine is gradually becoming a part of urban Indian life style. Rising incomes of Indian population, changing demography and exposure to new culture is adding to the higher consumption. The market for wine is expected to grow at over 20 % per annum. The wine produced will meet part of the demand from growing domestic market and part of the production can be exported.

The Board of Directors of the company wish to diversify the company's activities by undertaking the business of manufacturing and trading of Wines . The company is authorized to undertake the proposed business under serial No. 1 in paragraph III (C) of its Memorandum of Association.

According to Section 149 (2A) of the Companies Act, 1956 no company can commence any new business, which is not germane to the existing business unless the company has approved the commencement of such new business by a special resolution passed in that behalf at a general meeting.

The resolution is intended for these purposes.

The company's Memorandum of Association is open for inspection at the company's registered office during usual business hours on any working day. The Board recommends the acceptance of the resolution.

No director of the company has any personal interest or concern in the resolution.

By order of the Board of Directors

Place : New Delhi
Date : 31.05.2007

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

BCC FUBA INDIA LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 21st Annual Report and the audited Accounts of the Company for the financial year ended 31st March 2007

FINANCIAL RESULTS

	<u>(Rs. in lacs)</u>	
	<u>2006-07</u>	<u>2005-06</u>
Turnover	1108.58	847.78
Profit/ (loss) before interest & Depreciation	181.52	133.11
Interest	62.66	74.10
Profit/ (loss) before depreciation	118.86	59.01
Depreciation	73.61	72.98
Net Profit/ (loss)	38.78	(13.97)

DIVIDEND

The directors do not recommend any dividend for the year.

OPERATIONAL HIGHLIGHT

Sales for the year ended March 31, 2007 increased 30.76% to Rs 1108.58 lacs compared to Rs.847.78 lacs for the same period of 2006. The increase in our sales reflects new program avenues from both existing and new customers.

PBDITA achieved for the year Rs. 181.52 Lacs (previous year Rs. 133.11 Lacs) was higher by 36.37%. This is an all time high since the Company's inception. Earnings after Tax improved to Rs.38.78 Lacs as compared to loss of Rs.13.97 Lacs.

While the buoyant market conditions and higher sales realization aided for improved financial performance, the growth in production of over 18.08 % and control on the cost of production despite increase in the input prices, have added to the profitability of the Company.

New Business Proposal:

The Board of Directors recommended to carry on the business of manufacturing and trading of Wine. The Indian wine industry has been steadily growing over the last ten years. Wine is gradually becoming a part of urban Indian life style. Rising incomes of Indian population, changing demography and exposure to new culture is adding to the higher consumption. The market for wine is expected to grow at over 20 % per annum. The wine produced will meet part of the demand from growing domestic market and part of the production can be exported. The Board recommendation this proposal for the approval of the Shareholders.

DIRECTORS

Mr. Ravi Mohan Mehta, 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.

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

The Company's shares are listed on Bombay Stock Exchange Ltd.(BSE). The Company has applied for approval for delisting its shares with The Delhi Stock Exchange Ltd, The Calcutta Stock Exchange Association Ltd., Ahmedabad Stock Exchange Ltd. and The Ludhiana Stock Exchange Ltd and the approval for delisting of the shares is awaited.

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 Registry Limited having office at A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall, 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 matters. 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 Committees, adequate disclosures and business to be deliberated by the Board etc, even before the code became 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 this report.

OBSERVATION OF THE AUDITORS IN THE ANNUAL ACCOUNT

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, 2007 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 and Manager Accounts & Finance have certified to the Board that:

1. We have reviewed financial statements and the cash flow statement 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 fact contain statements that might be misleading.
 - (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 in notice to the auditors and the Audit Committee all the material transaction 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

Sd/-

(V. S. BHAGAT)

Chairman & Managing Director

Place : New Delhi

Date : 31.05.2007

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 2007.

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	18,80,945	17,12,904
- Total Amt.(Rs. In Lacs)	60.94	59.53
- Rate per Unit (Rs.)	3.24	3.47
(b) Own Generation		
i) Through Diesel generator		
- Units	45,215	46,283
- Units per lt.of diesel Oil	2.86	2.85
- Cost per unit (Rs.)	11.18	10.14
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	82.10 units	88.38 units
Per sq.mtr.	(Rs. 281.62)	(Rs.322.68)

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:**

	2006-2007 (Rs. in Lacs)	2005-2006 (Rs. in Lacs)
FOREIGN EXCHANGE USED		
1. Traveling expenses	Nil	Nil
2. Raw materials/chemicals/ Stores and spares etc. imported	299.59	257.09
3. Plant & Machinery	Nil	2.87
FOREIGN EXCHANGE EARNED	25.29	67.42

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 2007.

Name of the Employee	:	Mr. V.S. Bhagat
Age	:	66 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	:	44 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 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:**

BCC Fuba strives for excellence in corporate governance practices, which the Company recognizes is fundamental to securing the trust of investors and key stakeholders. BCC Fuba's management, together with our Board of Directors, continually evaluates processes and implements procedures designed to maintain strong governance and operations standards. In doing so, we strive to manage the Company according to the highest principles of responsibility and integrity, and align the interests of management and the Board with those of our shareholders. 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 Six 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 20.09.2006	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	Present	0	2	Non-executive and independent
5. Mr. Veenu Pasricha	5	Present	3	2	Non-executive and independent
6. Mr. Walter Drach	0	Absent	0	0	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:

2nd day of April 2006

30th day of June 2006

29th day of July 2006

30th day of October 2006

29th day of January 2007