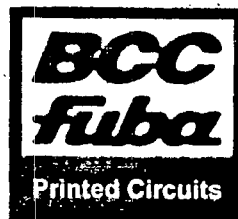


**22<sup>nd</sup>  
Annual Report  
2007-08**

report  junction.com



**BCC FUBA INDIA LIMITED**

# BCC FUBA INDIA LIMITED

## 22nd 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. VEENU PASRICHA	DIRECTOR
5.	MR. WALTER DRACH	DIRECTOR
6.	MR. R. M. MEHTA	DIRECTOR

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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-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 22nd Annual General Meeting of the members of M/s. BCC FUBA INDIA LIMITED will be held on Tuesday the 30th day of September, 2008 at 2.00 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 2008 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 2008-2009.

**By order of the Board of Directors**

Place : New Delhi

Date : 31.05.2008

Sd/-

**(V. S. Bhagat)**

Chairman and Managing Director

**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 22.09.2008 to 30.09.2008 (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-40, 2nd Floor,,Naraina Industrial Area, Phase-II, New Delhi-110028.

**ANNEXURE TO THE NOTICE**

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

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 member may consider and pass necessary resolution.

None of the Directors is directly interested in the proposed resolution.

**By order of the Board of Directors**

Place : New Delhi

Date : 31.05.2008

Sd/-

**(V. S. Bhagat)**

Chairman and Managing Director

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

Dear Members,

Your Directors have pleasure in presenting the 22nd Annual Report and the audited Accounts of the Company for the financial year ended 31st March 2008

**FINANCIAL RESULTS**

	(Rs. in lacs)	
	<u>2007-08</u>	<u>2006-07</u>
Turnover	791.70	1108.58
Profit/(loss) before interest & Depreciation	77.37	181.52
Interest	47.32	62.66
Profit/(loss) before depreciation	30.05	118.86
Depreciation	74.77	73.61
Net Profit/(Loss)	(46.64)	38.78

**DIVIDEND**

Company has suffered loss and therefore no dividend was declared.

**OPERATIONAL HIGHLIGHT**

Your company is engaged in manufacturing and trading of printed circuit boards. The financial year of 2008 has been difficult for us compared with year 2007. Company recorded a total turnover of approximately Rs. 791.70 Lacs, a decrease of 28.58% from 2007. The decrease in sales was mainly due to the drop of market share of a major customer of the company which led to a reduction of demand from the customer and also increases in the cost of raw material.

To bring improvement in the financial performance your company will pay more attention to higher margin products and customers. It will be the management's focus this year to enhance our management standard, optimize our cost structure and actively minimize the overhead.

**DIRECTORS**

Mr. A.P. Mathur, Director of the Company retire by rotation at the ensuing Annual General Meeting. His, being eligible, has offered himself for re-appointment. As his continued presence on the board are 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.

**BCC FUBA INDIA LIMITED****LISTING OF SECURITIES**

At present the securities of the Company are listed with The Stock Exchange Mumbai. 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 Delhi Stock Exchange Association Limited, The Stock Exchange Ahmedabad, Ludhiana Stock Exchange Association Limited and the Calcutta Stock exchange Association limited and the approval for delisting of the shares is awaited.

**DEPOSITORY SYSTEM**

As per the SEBI Guidelines M/s. Intime Spectrum Shares Registry Limited having office at A-40, 2nd Floor, Naraina Industrial Area, Phase-II, 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, 2008 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.

**BCC FUBA INDIA LIMITED****CEO CERTIFICATION:**

Chairman and Managing Director and Manager Finance & Accounts 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**

Place : New Delhi  
Date : 31.05.2008

Sd/-  
**(V. S. Bhagat)**  
Chairman and Managing Director

**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 2008.

**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	1812372	1880945
- Total Amt.(Rs. In Lacs)	59.11	60.94
- Rate per Unit (Rs.)	3.26	3.24
(b) Own Generation		
i) Through Diesel generator		
- Units	26997	45215
- Units per lt.of diesel Oil	2.76	2.86
- Cost per unit (Rs.)	11.28	11.18
ii) Through steam turbine/ generator	Nil	Nil
Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Others Internal Generation	Nil	Nil

**CONSUMPTION PER UNIT OF PRODUCTION**

Product	<b>Printed Circuit Boards</b>	
Electricity consumed	103 units	82.10 units
Per sq.mtr.	(Rs.349.00)	(Rs.281.62)

**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:**

	<b>2007-2008 (Rs. in Lacs)</b>	<b>2006-2007 (Rs. in Lacs)</b>
<b>FOREIGN EXCHANGE USED</b>		
1. Traveling expenses	<b>NIL</b>	<b>NIL</b>
2. Raw materials/chemicals/ Stores and spares etc. imported	<b>263.68</b>	<b>299.59</b>
3. Others (P&M)	<b>0.43</b>	<b>NIL</b>
<b>FOREIGN EXCHANGE EARNED</b>	<b>17.89</b>	<b>25.29</b>

**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 2008.**

Name of the Employee	: Mr. V.S. Bhagat
Age	: 67 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	: 45 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.

**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 6 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 28.09.2007	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. Mrs. Renu Bhagat	3	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	0	2	Non-executive and independent
5. Mr. Veenu Pasricha	3	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**

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

31st day of May 2007

31st day of July 2007

31st day of October 2007

31st day of January 2008