

24th
ANNUAL REPORT
2009-2010

BCC
fuba

Printed Circuits

BCC FUBA INDIA LIMITED

BCC FUBA INDIA LIMITED
24TH 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. VEENU PASRICHA | DIRECTOR |
| 5. | MR. R.M. MEHTA | DIRECTOR |
| 6. | MR. H.R. ANSARI | DIRECTOR |

AUDITORS

AGGARWAL & RAMPAL
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 | : | 34-H, ASHOKA AVENUE, SAINIK FARM, NEW DELHI-110062 |
| Share Transfer Agent | : | M/s.LINK INTIME INDIA PRIVATE LIMITED (Formerly Known as Intime Spectrum Registry Limited) A-40, 2 nd Floor, Naraina Industrial Area, Phase-II, New Delhi-110028 Ph- 011-41410592-94 |

NOTICE

Notice is hereby given that the 24TH Annual General Meeting of the members of **M/s. BCC FUBA INDIA LIMITED** will be held on Thursday the 30th day of September, 2010 at 10.00 A.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 2010 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. Aggarwal & Rampal, 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 2010-2011.

**By order of the Board
For BCC Fuba India Limited**

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

Date :29.05.2010
Place: New Delhi

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 22.09.2010 to 30.09.2010 (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. M/s.LINK INTIME INDIA PRIVATE LIMITED of A-40, 2nd Floor, Naraina Industrial Area, Phase-II, New Delhi-110028.

Explanatory statements:

The explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 for item numbers 3 of the accompanying notice is as under:

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 director is directly interested in the proposed resolution.

**By order of the Board
For BCC Fuba India Limited**

Sd-
Chairman and Managing Director

Date :29.05.2010
Place: New Delhi

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 24th Annual Report and the audited Accounts of the Company for the financial year ended 31st March 2010

FINANCIAL RESULTS

(Rs. In lacs)

| | 2009-10 | 2008-09 |
|---|----------------|-----------------|
| Turnover | 680.93 | 563.93 |
| Profit/(Loss) before Interest & Depreciation | 27.93 | (9.98) |
| Interest | 45.69 | (50.88) |
| Profit/(Loss) before Depreciation | (17.76) | (60.86) |
| Depreciation | 75.32 | 75.28 |
| Net Profit/ (Loss) | (93.08) | (136.14) |
| | | |

DIVIDEND

Company has suffered loss and therefore no dividend was declared.

OPERATIONAL HIGHLIGHT

Sales for the year ended March 31, 2010 increased 20.75% to Rs.680.93 lacs compared to Rs.563.93 lacs in 2009. This growth was driven primarily by the improving demand in the commercial markets, led by the communications, industrial, instrumentation and consumer electronics segments. This increase in demand is expected to continue during the first quarter of 2010.

We also experienced strong orders of Rs.300.00 lacs during the first quarter of the current financial year. If the current strength in demand continues throughout 2010-11, we expect net sales in 2010-11 to grow at least 76.00% over the net sales of Rs.680.93 Lacs for 2009-10.

DIRECTORS

Mr. Ravi Mohan Mehta, Director of the Company retire 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. Aggarwal & Rampal, 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 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. LINK INTIME INDIA PRIVATE 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.

AUDITORS' 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, 2010 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 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 customer, executives, staff and workers of the company for smooth operations of the Company.

By order of the Board

Place: New Delhi

Date: 29.05.2010

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 2010.

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 | 1675772 | 1534508 |
| -Total Amt.(Rs. In Lacs) | 61.34 | 58.94 |
| -Rate per Unit (Rs.) | 3.66 | 3.84 |
| (b) Own Generation | | |
| i) Through Diesel generator | | |
| - Units | 25561 | 17545 |
| - Units per lt.of diesel Oil | 2.41 | 2.74 |
| - Cost per unit (Rs.) | 13.94 | 12.44 |
| 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 | 106 units | 132 units |
| Per sq.mtr. | (Rs.405.00) | (Rs.522.00) |

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:

| | 2009-2010 (Rs. in Lacs) | 2008-2009 (Rs. in Lacs) |
|--|--|--|
| A.FOREIGN EXCHANGE USED | | |
| 1. Traveling expenses | NIL | NIL |
| 2. Raw materials/chemicals/ Stores and spares etc. imported | 185.84 | 149.84 |
| 3. Others (P&M) | 0 .99 | -- |
| FOREIGN EXCHANGE EARNED | 4.89 | 43.66 |

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 2010.

| | | |
|------------------------------------|---|--|
| Name of the Employee | : | Mr. V.S. Bhagat |
| Age | : | 69 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 | : | 47 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**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.

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 H.R. Ansari |

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 25.09.2009 | No. of outside Directorship held | No. of membership/ Chairmanship 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 | 0 | 2 | Non-executive and independent |
| 5. Mr. Veenu Pasricha | 4 | Present | 3 | 2 | Non-executive and independent |
| 6. Mr. H.R. Ansari | 4 | Absent | 3 | 0 | Non-executive and independent |

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

5 Board meeting were held during the year. The dates on which the meetings were held are as follows 30.04.2009, 30.06.2009, 31.07.2009,31.10.2009 and 30.01.2010

Code of Conduct for Board Members & Senior Management Team:

Pursuance to the provisions of clause 49 of the Listing Agreement, the Board has laid down a Code of Conduct for all Board Members and Senior Management Team.

All Board Members and Senior Management Team have affirmed compliance of code of conduct as on 31.03.2010 and a declaration to that effect signed by Chairman & Managing Director is attached and forms part of this report.