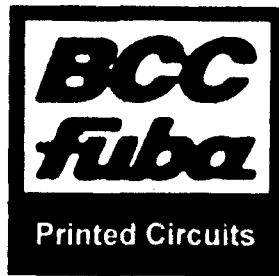


**19th  
Annual Report  
2004-2005**



**BCC FUBA INDIA LIMITED**

# **BCC FUBA INDIA LIMITED**

## **19th 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. S. K. BANERJEE	WHOLE TIME DIRECTOR
7.	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: 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:

<b>Basic Salary</b>	:	Rs. 14,900/- p.m.
<b>H.R.A</b>	:	Rs. 6,800/- p.m.
<b>Conveyance</b>	:	Rs. 3,900/- p.m.
<b>Total</b>		<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**

Place : New Delhi  
Date : 30.06.2005

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

**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)	
	<b>2004-05</b>	<b>2003-04</b>
Turnover	<b>1022.42</b>	816.88
Profit/(loss) before interest & Depreciation	<b>181.60</b>	157.30
Interest	<b>85.38</b>	77.71
Profit/(loss) before depreciation	<b>96.22</b>	79.59
Depreciation	<b>72.76</b>	71.00
Net Profit/(loss)	<b>23.46</b>	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
<b>2. Coal</b>	Nil	Nil
<b>3. Furnace Oil</b>	Nil	Nil
<b>4. Others Internal Generation</b>	Nil	Nil

**CONSUMPTION PER UNIT OF PRODUCTION**

Product	<b>Printed Circuit Boards</b>	
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.



**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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

**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

**4. Audit Committee:**

The Audit committee comprises of Mr. A.P.Mathur, Mr. Veenu Pasricha and Mr. R.M. Mehta all being non-executive and independent Directors. Shri R.S.Tiwari, Company Secretary acts as the Secretary to the audit committee. The composition, role, functions and power of the audit committee are in tune with the requirements of applicable laws and regulations and guidelines issued/to be issued by the Regulatory Authorities.

During the year, the committee has met three times. Attendance of each member at the committee meeting were as follows:

Sl. No.	Name of the Members	Status	No. of Meeting attended
1.	Sh. A.P.Mathur	Chairman & Independent Director	3
2.	Sh. R.M. Mehta	Independent Director	1
3.	Sh. Veenu Pasricha	Independent Director	3

**5. Remuneration Committee:**

Remuneration committee consists of Non-executive Independent Directors viz Sh. A.P.Mathur, Sh. R.M.Mehta and Sh. Veenu Pasricha. The committee recommend/ review the remuneration package of the Managing Director/ Whole-time Director(s) in accordance with the existing industry practice and also with the provisions of the Companies Act, 1956.

Details of remuneration paid to Managing Director/ Whole time -Director are as follows:

Sh. V.S. Bhagat                                      Managing Director                      Rs. 14,88,000/-

Sh. S.K.Banerjee                                      Whole-time Director                      Rs. 2,63,760/-

Besides they are also entitled to Company's contribution to P.F. Fund, Gratuity, Medical Reimbursement and encashment of leave at the end of tenure as per the Rules of the Company.

**Remuneration paid to non-executive directors**

No remuneration is paid to Non-executive Directors except sitting fees for attending the meeting of Board of Directors and committees thereof.

The company pays sitting fees to all the non-executive directors at the rate of Rs. 1,000/- for each meeting of the Board of Director or committee. The fees paid for the year ended 31st March 2005 to the Directors are as follows:

Sl. No.	Name of the Directors	Amount in Rs.
1.	Shri A.P.Mathur	1000/-
2.	Shri Veenu Pasricha	1000/-
3.	Shri R.M.Mehta	—

**6. Shareholders grievances committee:**

Shareholders grievances committee is headed by Sh. A.P. Mathur, non-executive and independent Director of the Company as chairman and comprises two other Directors Sh. V.S.Bhagat and Smt. Renu Bhagat as member. Shri R.S. Tiwari, Company secretary has been designated as compliance officer. The committee observes and reviews the shareholders grievances and ensures to provide prompt and satisfactory services to the shareholders.

As per the latest guidelines M/s. Intime Spectrum Registry Ltd. having office at A-31, 3rd, Floor, Naraina Industrial Area, Phase-I, New Delhi-110028 has been working as common share transfer agent for all the work related to both physical and electronic mode of equity shares.

**General Body Meetings:**

Location and time for last three Annual General meeting:

Year	Location	Date	Day	Time
2001-02	4 Km. Swarghat Road, Nalagarh-174101, Distt. Solan, Himachal Pradesh.	20.09.2002	Friday	10.30.A.M
2002-03	4 Km. Swarghat Road, Nalagarh-174101, Distt. Solan, Himachal Pradesh.	22.09.2003	Monday	10.30.A.M
2003-04	4 Km. Swarghat Road, Nalagarh-174101, Distt. Solan, Himachal Pradesh	28.09.2004	Tuesday	2.30 P.M

No resolution was required to be put through postal ballot.

**7. Disclosures**

The related party transactions have been disclosed in Notes of Account forming part of the Statement of Accounts for the financial year ended 31st March, 2005 and since the necessary disclosures were made in respect of the said transactions to the respective Boards of Directors, no transaction is considered to be in potential conflict with the interests of the company at large.

There has not been any non-compliance, penalties or strictures imposed on the company by the Stock Exchange (s), Securities and Exchange Board of India or any other statutory authority, on any matter relating to the capital markets, during the last three years.

**8. Means of communication**

The quarterly, Half-yearly and Annual Results are generally published by the Company in English (Business Standard) and vernacular Divya Himachal/ Himachal Times Hindi edition. The company does not yet have its web site. Official news releases and notices etc. are sent to the Stock Exchanges at Mumbai, Delhi, Ludhiana, Kolkatta and Ahmedabad where shares of the company are listed.

**9. General shareholders information:****(a) Annual General Meeting:**

Date and time	:	30th September 2005 at 2.30 P.M.
Venue	:	4 Km. Swarghat Road, Nalagarh-174101 Distt. Solan, Himachal Pradesh

**(b) Financial Calendar (tentative)**

Annual General Meeting	:	30.09.2005
Results for the quarter ending 30.06.2005	:	Last week of July 05
Results for the quarter ending 30.09.2005	:	Last week of Oct, 05
Results for the quarter ending 31.12.2005	:	Last week of Jan, 06
Results for the quarter ending 31.03.2006	:	Last week of June, 06

**(c) Book Closure Date** : 22.09.2005 to 30.09.2005

**(d) Listing of Equity Shares** : Ludhiana, Mumbai, Kolkatta, Ahmedabad and Delhi

(e) **Stock Market Data :**

Month	Bombay Stock Exchange (BSE)	
	Month's High Price	Month's Low Price
April 2004	2.55	1.70
May. 2004	1.80	1.45
June. 2004	—	—
July. 2004	2.20	1.80
Aug. 2004	2.47	1.44
Sept. 2004	3.13	2.01
Oct. 2004	3.30	2.46
Nov. 2004	4.89	2.02
Dec. 2004	7.17	2.16
Jan. 2005	6.00	3.61
Feb. 2005	6.45	4.45
March 2005	6.31	4.16

(f) **Registrar & Share Transfer Agent and Communication regarding all kinds of Share related matters**

**Intime Spectrum Registry Ltd.**  
A-31, 3rd Floor, Naraina Industrial Area, Phase-I,  
New Delhi-110028

(g) **Shareholding pattern as on 31.03.2005**

Sl. No.	Category	No. of shares	Percentage
1	Promoters	2320011	38.29
2	Indian Financial Institutions, Banks, Mutual Funds	231000	3.81
3	Foreign Institutional Investors/ NRIs	116303	1.92
4	Others	3391736	55.98
	<b>Total</b>	<b>6059050</b>	<b>100.00</b>

(h) **Distribution on shareholding as on 31.03.2005**

No. of share held	No. of Shareholders	% of shareholders	No. of Equity shares	% of shareholding
1 to 500	13824	94.73	2133559	35.21
501 to 1000	501	3.43	384014	6.34
1001 to 2000	143	0.98	218245	3.60
2001 to 3000	43	0.30	105935	1.75
3001 to 4000	10	0.07	35850	0.59
4001 to 5000	24	0.16	111595	1.84
5001 to 10000	22	0.15	161932	2.67
10001 and above	26	0.18	2907920	48.00
<b>Total</b>	<b>14593</b>	<b>100.00</b>	<b>6059050</b>	<b>100.00</b>

The above report was adopted by the Board of Directors at their meeting held on 30.06.2005

**AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS**

**To the Members of BCC FUBA INDIA LIMITED**

1. We have reviewed the implementation of Corporate Governance by BCC FUBA INDIA LIMITED (the company) during the year ended 31.03.2005, with the relevant records and documents maintained by the company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions on Corporate is the responsibility of the Management. Our examination was limited to review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.
4. We state that no valid investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievances Committee
5. On the basis of our review and according to the information and explanations provided to us, the conditions of corporate Governance as stipulated in clause 49 of the Listing Agreement(s) with the stock Exchange have been complied with in all material respect by the Company.

**For VINAY AGGARWAL & ASSOCIATES**  
CHARTERED ACCOUNTANTS

DATE : 30.06.2005  
PLACE : New Delhi

Sd/-  
**(VINAY AGGARWAL)**  
(PARTNER)

**MANAGEMENT DISCUSSION AND ANALYSIS****FINANCIAL PERFORMANCE:**

During the year under review both Production and Sales increased by about 25% over the preceeding year. However, the trend of declining of prices and declining profitability per unit sale continues. This has affected the over all performance of the Company. In the last couple of years productivity has gone up from 100 Sq. Mtr. Per person to 160 Sq. Mtr. Per person.

**INDUSTRIAL STRUCTURE AND DEVELOPMENT**

While PCBs remain at the heart of all electronic devices the character of the PCB is undergoing a sea change. On the one hand the increasing use of Surface Mount Technology is leading to greater and greater miniaturization of PCBs and on the other the demand for special substrates for special applications is increasing. Further the pressures generated by the protagonists of ecology are driving the PCB industry rather the entire electronic industry towards a lead free technology. All these factors necessitate heavy investments in new technology.

**OPPORTUNITIES RISKS AND CONCERNS**

The indigenous market for PCBs will continue to expand over the next couple of years. However, a very surprising situation is developing. On the one hand many big indigenous users of PCBs are procuring more and more of their PCBs from china. On the other hand many international buyers are trying to pull out of the Chinese market and source their PCBs from the Indian Market.

The major problem in exports is that firstly realization of payment occasionally becomes a problem and secondly it becomes difficult to sort out quality related problems.

Opportunities exist for spectacular growth. However, while running after growth one has to temper one's expectations with caution since any miscalculation may prove to be catastrophic.

**OUTLOOK**

On the whole one can look forward to sustained growth in the coming year or two.

**INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

The company has in place an adequate system of checks and controls to ensure the safety of the assets of the company. In addition since your company is an ISO Company the emphasis on continual improvement ensures that loopholes are systematically plugged as & when they are detected.

Over & above we have an internal audit system for the periodic review of performance, processes inputs & outputs.

**Material Developments in Human Resources:**

Our HRD policy is dedicated towards the prosperity of the employees and management treat them as part of family member.

Industrial relations during the year were cordial at all level. The permanent employee strength of the Company as on 31.03.2005 was 111.

**Cautionary Statement:**

Statements in this report on management discussion and analysis describing the Company's policy, projections, estimation and expectations may be "forward looking statements" within the meaning of applicable laws, Rules and regulations. These statements are based on certain assumptions and expectations of future events. Actual results/ implementation could materially differ from those expressly mentioned in this report or implied for various factors including those mentioned hereinabove and subsequent developments, information or events.

**AUDITOR'S REPORT**

To,

The Members,

**BCC FUBA INDIA LIMITED**

We have audited the attached Balance Sheet of **M/S BCC FUBA INDIA LIMITED** as at 31st March, 2005, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. We have expressed an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion;

As required by the Companies (Auditor's Report), 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of those books.
3. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with in this report are in agreement with the books of account.
4. In our opinion, the Profit & Loss Account and Balance Sheet and Cash Flow Statement generally comply with the accounting standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
5. On the basis of the written representation received from the directors, as on 31st March, 2005, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31-03-2005 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes on account thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, subject to :-
  - a) Note No.B(4) regarding non amortisation of miscellaneous expenditure up to 31st march,2005 to the extent of RS 51.23 Lakhs(previous year Rs 51.23 Lakhs)
  - b) Note No. B(5) regarding non reconciliation with the bankers to the issue, of share application money received in respect of equity share offered to the public in september,1990.
    - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2005 and
    - ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
    - iii) In so far as it relates to the Cash Flow Statement of Cash Flow of the company for the year ended on that date.

**For VINAY AGGARWAL & ASSOCIATES**  
CHARTERED ACCOUNTANTS

Sd/-  
**(VINAY AGGARWAL)**  
(PARTNER)

DATE : 30.06.2005  
PLACE : New Delhi



**ANNEXURE TO REPORT UNDER COMPANIES (AUDITOR'S REPORT) ORDER 2003  
REFERRED TO IN OUR AUDIT REPORT OF EVEN DATE OF BCC FUBA INDIA LIMITED:-**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) As explained to us most of the assets have been physically verified by the management during the year and as per the explanations and information given to us there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As explained to us discrepancies noticed on physical verification were not significant and have been properly dealt with in the books of account.  
(c) During the year, the company has not disposed off any part of the plant and machinery, which will have the effect on the Going concern of the company.
2. (a) As explained to us the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business  
(c) As explained and based on the information given to us, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and the same have been properly dealt with in the books of account.
3. (a) The company has taken loan from the following parties covered in the register maintained under section 301 of the companies act 1956.
  - (i) Three companies in which directors are interested.
  - (ii) One director.

The maximum amount during the year in the above accounts was aggregating to Rs. 651.21 lakhs and the year end balance of loans taken from such parties was Rs. 649.15 lakhs.

As explained to us, the company has not granted loan to any firm covered in the register maintained under section 301 of the companies act, 1956.

  - (b) In our opinion the rate of interest and other terms and condition on which the loan has been taken from companies, firms and other parties listed in the register maintained under section 301 are not prima facie, prejudicial to the interest of the company.
  - (c) As explained to us there is no stipulated time frame for the repayment of the above loan hence we are unable to comment on the regularity of the repayment of the principal and interest on above loan taken or granted to the parties covered under section 301 of the companies act, 1956.
  - (d) In the view of the above we are unable to comment whether there is any overdue amounts of loans taken from or granted to the companies, firms or other parties listed in the registers maintained under section 301 of the companies act, 1956.
4. In our opinion and according to the information and explanations given to us, the company has a system of internal control and of its evaluation on regular basis to strengthened it, in order to make it commensurate with the size of company and the nature of its business with regard to, purchase of inventory, fixed assets, and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in such internal controls.
5. In our opinion and according to the information and explanations given to us, there were no transactions during the year that need to be entered in the registers maintained under section 301
6. In our opinion and according to the information and explanations given to us, the company has not accepted any Deposits as defined with in the meaning of Sections 58A and 58AA of the companies Act, 1956 and the companies (Acceptance of Deposits) Rules 1975.

7. In our opinion and according to the information and explanation given to us, the company has an internal Audit System commensurate with the size of the company and nature of its Business.
8. As informed to us maintenance of cost records has not been prescribed by the Central Government under section 209 (1)(d) of the Companies act, 1956.
9. (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise-duty, cess and other statutory dues applicable to it, and according to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding, as at 31.03.2005 for a period of more than six months from the date they became payable.  
(b) According to the records of company, the disputed statutory dues are aggregating to Rs. 0.78 lakhs that have not been deposited on account of matters pending before appropriate authorities. As mentioned in point no. B1 (ii) of other notes of Schedule XX pertaining to "Notes on Account."
10. The accumulated losses of the company doesn't exceed fifty percent of its net worth. Further it has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. As explained and informed to us by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, or bank.
12. Based on the records, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and to the best of our information and according to the explanation provided by the management the company is neither a Chit fund company nor a Nidhi/Mutual Benefit Funds/Societies. Hence the requirements of the para do not apply to the company.
14. In our opinion and as per explanations given to us by the management the Company is not dealing or trading in Shares, securities or Debentures and other investments.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The company has not raised any Term Loan during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment and no long-term funds have been used to finance short-term assets except core (permanent) working capital.
18. As explained and informed to us by the management and upon our examination of records we report that the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. During the period covered by our audit report, the company has not issued any types of debentures.
20. During the financial year the company did not raise any money by public issue.
21. In our opinion and according to the information and explanations given to us by the management, there was no fraud on or by the company, which has been noticed and reported during the year that causes the financial statements to be materially misstated.

**For VINAY AGGARWAL & ASSOCIATES**  
CHARTERED ACCOUNTANTS

Sd/-  
**(VINAY AGGARWAL)**  
(PARTNER)

DATE : 30.06.2005  
PLACE : New Delhi

**BALANCE SHEET AS AT 31ST MARCH, 2005**

	<b>SCHEDULE No.</b>	<b>AS AT 31/3/2005 Amount (Rs.)</b>	<b>AS AT 31/3/2004 Amount (Rs.)</b>
<b>SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	I	60,581,500	60,581,500
Reserves & Surplus	II		
<b>LOAN FUNDS</b>			
Secured Loans	III	4,559,717	6,359,692
Unsecured Loans	IV	64,915,310	65,023,331
<b>TOTAL</b>		<b>130,056,527</b>	<b>131,964,523</b>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS</b>			
<b>Gross Block</b>	V	<b>138,223,394</b>	137,686,285
Less : Depreciation		<b>91,570,742</b>	84,294,967
<b>Net Block</b>		<b>46,652,652</b>	53,391,318
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
- Inventories	VI	21,217,866	19,943,743
- Sundry Debtors	VII	37,617,707	33,348,224
- Cash & Bank Balances	VIII	4,449,461	5,480,372
- Loans & Advances	IX	3,861,547	3,486,606
		<b>67,146,581</b>	62,258,945
Less : Current Liabilities & Provisions	X	<b>11,488,299</b>	13,801,253
<b>Net Current Assets</b>		<b>55,658,282</b>	48,457,692
Miscellaneous Expenditure (To the extent not written off or Adjusted )	XI	5,123,445	5,123,445
<b>Profit &amp; Loss Account</b>		<b>22,622,148</b>	24,992,068
<b>TOTAL</b>		<b>130,056,527</b>	<b>131,964,523</b>
<b>Notes on Accounts</b>	XX		

As per our report of even date attached  
**For VINAY AGGARWAL & ASSOCIATES**  
Chartered Accountants

for and on behalf of the Board of Directors

Sd/-  
**(VINAY AGGARWAL)**  
Partner

Sd/-  
**R. S. TIWARI**  
Company Secretary

Sd/-  
**A. P. MATHUR**  
**R. M. MEHTA**  
**RENU BHAGAT**  
**VEENU PASRICHA**  
Directors

Place : New Delhi  
Date : 30/06/2005

**V. S. BHAGAT**  
Chairman & Managing Director

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2005**

	SCHEDULE No.	AS AT 31/3/2005 Amount (Rs.)	AS AT 31/3/2004 Amount (Rs.)
<b>INCOME</b>			
Sales		102,242,029	81,688,169
Other Income		618,536	1,333,979
Increase/(Decrease) in Stock	XII	1,541,626	(88,456)
		<u>104,402,191</u>	<u>82,933,692</u>
<b>EXPENDITURE</b>			
Material Consumed	XIII	47,302,711	35,569,562
Excise Duty		13,156,249	10,164,002
Manufacturing Expenses	XIV	9,443,892	7,052,306
Employees Remuneration & Benefits	XV	10,265,306	9,432,455
Administrative Expenses	XVI	4,348,241	3,507,927
Selling Expenses	XVII	1,323,046	1,177,010
Financial Charges	XVIII	8,940,036	8,071,597
Depreciation	XIX	7,275,776	7,100,063
		<u>102,055,257</u>	<u>82,074,922</u>
<b>Net Profit/(Loss) for the year</b>		<b>2,346,934</b>	<b>858,770</b>
<b>Add/Less: Expenses related to previous year</b>		<b>22,986</b>	<b>(238,553)</b>
<b>Net Profit/(Loss) after Tax</b>		<b>2,369,920</b>	<b>620,217</b>
<b>Add : Brought Forward Losses</b>		<b>(24,992,068)</b>	<b>(25,612,285)</b>
		<u>(22,622,148)</u>	<u>(24,992,068)</u>
Balance Carried over to Balance Sheet		<u>(22,622,148)</u>	<u>(24,992,068)</u>
Basic / Diluted EPS		<b>0.39</b>	<b>0.10</b>
<b>Notes on Accounts</b>	<b>XX</b>		

As per our report of even date attached  
**For VINAY AGGARWAL & ASSOCIATES**  
Chartered Accountants

for and on behalf of the Board of Directors

Sd/-  
**(VINAY AGGARWAL)**  
Partner

Sd/-  
**R. S. TIWARI**  
Company Secretary

Sd/-  
**A. P. MATHUR**  
**R. M. MEHTA**  
**RENU BHAGAT**  
**VEENU PASRICHA**  
Directors

Place : New Delhi  
Date : 30/06/2005

**V. S. BHAGAT**  
Chairman & Managing Director

**SCHEDULES TO BALANCE SHEET**

	AS AT 31-Mar-05 AMOUNT (RS.)	AS AT 31-Mar-04 AMOUNT (RS.)
<b>SCHEDULE-I</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised :</b>		
6500000 Equity Shares of Rs.10/- each	<u>65,000,000</u>	<u>65,000,000</u>
<b>Issued and Subscribed</b>		
6059050 (Previous year 6059050) Equity Shares of Rs.10 each	<u>60,590,500</u>	<u>60,590,500</u>
<b>Paid Up</b>		
6057250 Equity Shares of Rs.10 each fully paid up in cash	<u>60,572,500</u>	<u>60,572,500</u>
Add: Forfeited Shares (1800 Equity Shares paid up Rs.5 per Share)	<u>9,000</u>	<u>9,000</u>
	<u><b>60,581,500</b></u>	<u><b>60,581,500</b></u>
<b>SCHEDULE-II</b>		
<b>RESERVES &amp; SURPLUS</b>		
State Subsidy on DG Set		
Less amt.transferred to P&L A/c		
	<u>—</u>	<u>—</u>
<b>SCHEDULE-III</b>		
<b>SECURED LOANS :</b>		
Working Capital Loan from Banks	<u>3,745,558</u>	<u>5,350,763</u>
Vehicle Loan	<u>814,159</u>	<u>1,008,929</u>
	<u><b>4,559,717</b></u>	<u><b>6,359,692</b></u>
<b>Security :</b>		
Working capital loan provided by State Bank Of Patiala is secured by way of hypothecation of stocks. Bookdebts & first charge on the fixed assets.		
<b>SCHEDULE-IV</b>		
<b>UNSECURED LOANS</b>		
1 From a Director	<u>36,189,400</u>	<u>38,491,706</u>
2 From the companies in which Directors are interested:-		
(a) Bhagat construction Co.Pvt.Ltd.	<u>642,279</u>	<u>642,279</u>
(b) Maya Enterprises Ltd.	<u>11,794,406</u>	<u>11,178,528</u>
(c) Samrat Video Vision Pvt.Ltd.	<u>16,289,225</u>	<u>14,710,818</u>
	<u><b>64,915,310</b></u>	<u><b>65,023,331</b></u>

**SCHEDULE-V  
FIXED ASSETS**

(AMOUNT IN RS.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	VALUE AS AT 01/04/2004	ADDITION DURING THE YEAR	SALE/ADJUST- MENT DURING THE YEAR	AS AT 31.3.05	UPTO 31.3.04	FORTHE PERIOD	ADJUST./ DEDU- CTIONS	UPTO 31.3.05	AS AT 31.3.05	AS AT 31.3.04
LAND (FREE HOLD)	651,061		—	651,061	—	—	—	—	651,061	651,061
BUILDING	8,648,928		—	8,648,928	3,412,860	274,380	—	3,687,240	4,961,688	5,236,068
PLANT & MACHINERY	120,348,139	144,286	—	120,492,425	76,902,103	6,457,270	—	83,359,373	37,133,052	43,446,036
ELECTRICAL WORKS	3,071,378		—	3,071,378	1,836,091	145,891	—	1,981,982	1,089,396	1,235,287
FURNITURE & FIXTURES	984,728	1,720	—	986,448	726,761	62,401	—	789,162	197,286	257,967
OFFICE EQUIPMENT	1,196,854	159,103	—	1,355,957	492,745	60,859	—	553,604	802,354	704,110
STORAGE & OTHER EQUIPMENT	180,917		—	180,917	73,221	8,594	—	81,815	99,102	107,696
FIRE FIGHTING EQUIPMENT	18,774		—	18,774	11,264	892	—	12,156	6,618	7,510
VEHICLES	2,585,506	232,000	—	2,817,506	839,923	265,489	—	1,105,412	1,712,094	1,745,583
<b>TOTAL</b>	<b>137,686,285</b>	<b>537,109</b>	<b>—</b>	<b>138,223,394</b>	<b>84,294,967</b>	<b>7,275,776</b>	<b>—</b>	<b>91,570,743</b>	<b>46,652,652</b>	<b>53,391,318</b>
PREVIOUS YEAR	135,127,768	2,568,517	10,000	137,686,285	77,196,382	7,100,063	1,478	84,294,967	53,391,318	57,931,386

**BCC FUBA INDIA LIMITED**

	AS AT 31-Mar-05 AMOUNT (RS.)	AS AT 31-Mar-04 AMOUNT (RS.)
<b>SCHEDULE-VI</b>		
<b>INVENTORIES</b>		
(As certified and valued by the Management on which Auditors have relied)		
Raw material	9,620,293	10,081,257
Stores & Spares	1,668,046	1,474,586
Work-in-progress	5,039,809	4,710,187
Finished Goods	4,889,718	3,677,713
	<u>21,217,866</u>	<u>19,943,743</u>
<b>SCHEDULE-VII</b>		
<b>SUNDRY DEBTORS</b>		
(Unconfirmed,unsecured)		
Debts outstanding for a period exceeding six months	5,706,267	8,452,225
	<u>5,706,267</u>	<u>8,452,225</u>
Other Debts	31,911,440	24,895,999
	<u>37,617,707</u>	<u>33,348,224</u>
<b>SCHEDULE-VIII</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in hand	30,717	52,044
<b>BALANCE WITH SCHEDULED BANKS :</b>		
- In Current Accounts	2,346,646	451,307
- In Term Deposits Accounts	1,925,000	4,865,140
- Interest Accured but not due on FDR	106,098	70,881
- In Share Application Money Accounts (subject to reconciliation & confirmation)	41,000	41,000
	<u>4,449,461</u>	<u>5,480,372</u>

**BCC FUBA INDIA LIMITED**

	AS AT 31-Mar-05 AMOUNT (RS.)	AS AT 31-Mar-04 AMOUNT (RS.)
<b>SCHEDULE-IX</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured, unconfirmed considered goods)		
Advances recoverable in cash or in kind or for value to be received	3,093,043	2,759,334
Staff Advances	77,542	93,054
Security Deposits (inclusive of interest accrued and due on fdr with excise dept.)	690,962	634,218
	<u>3,861,547</u>	<u>3,486,606</u>

**SCHEDULE-X****CURRENT LIABILITIES & PROVISIONS****A. CURRENT LIABILITIES**

## Sundry Creditors

- Dues to small scale industrial undertaking

268,559

—

- Dues to other than small scale industrial undertaking

4,523,058

7,851,687

Expenses Payable

3,234,421

2,943,374

Advance from Customers

30,387

36,003

Share Application Money refundable

41,000

41,000

(Subject to reconciliation with the banks)

**Total A**8,097,42510,872,064**B. PROVISIONS**

Provision for Gratuity

2,297,500

2,033,176

Provision for Bonus

215,971

196,782

Provision for Leave encashment

202,959

191,960

Provision for Excise Duty

674,444

507,271

**Total B**3,390,8742,929,189**Total A+B**11,488,29913,801,253**SCHEDULE-XI****MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

Foreign Training &amp; technician expenses

98,399

98,399

Preliminary Expenses

69,905

69,905

Technical Know How Fee

2,541,788

2,541,788

Public issue Expenses

1,755,026

1,755,026

Right Issue Expenses

658,327

658,327

5,123,4455,123,445



	AS AT 31-Mar-05 AMOUNT (RS.)	AS AT 31-Mar-04 AMOUNT (RS.)
<b>SCHEDULE-XII</b>		
<b>INCREASE IN STOCKS</b>		
<b>CLOSING STOCKS</b>		
Work in Progress	5,039,809	4,710,187
Finished Goods	4,889,717	3,677,713
Total A	<u>9,929,526</u>	<u>8,387,900</u>
Less: OPENING STOCKS		
Work in Progress	4,710,187	4,381,672
Finished Goods	3,677,713	4,094,684
Total B	<u>8,387,900</u>	<u>8,476,356</u>
Increase/(Decrease) in stock (A-B)	<u>1,541,626</u>	<u>(88,456)</u>
<b>SCHEDULE-XIII</b>		
<b>MATERIAL CONSUMED</b>		
<b>Opening stock</b>		
Raw Material	10,081,257	8,441,366
Stores & Spares	1,474,586	1,737,630
<b>ADD: Purchases</b>		
Raw Material	45,192,297	35,877,370
Stores & Spares	1,842,910	1,069,039
	<u>58,591,050</u>	<u>47,125,405</u>
<b>LESS: Closing Stock</b>		
Raw Material	9,620,293	10,081,257
Stores & Spares	1,668,046	1,474,586
Consumed during the year	<u>47,302,711</u>	<u>35,569,562</u>
<b>SCHEDULE- XIV</b>		
<b>MANUFACTURING EXPENSES</b>		
Power & Fuel	6,580,353	4,951,154
Testing charges	4,060	2,744
Freight & Cartage	328,320	253,891
<b>Repair &amp; Maintenance</b>		
Plant & machinery	1,188,902	1,064,280
Buildings	689,125	267,495
Others	215,794	206,905
Job charges	437,338	305,837
	<u>9,443,892</u>	<u>7,052,306</u>

	AS AT 31-Mar-05 AMOUNT (RS.)	AS AT 31-Mar-04 AMOUNT (RS.)
<b>SCHEDULE- XV</b>		
<b>EMPLOYEES REMUNERATION &amp; BENEFITS</b>		
Salary & Allowances	8,841,157	8,271,589
Contribution to Provident & other funds	934,408	824,559
Staff welfare	223,010	195,300
Bonus	156,231	141,007
Retrenchment Expenses	110,500	—
	<u>10,265,306</u>	<u>9,432,455</u>

**SCHEDULE- XVI****ADMINISTRATIVE EXPENSES**

Miscellaneous expenses	132,588	162,127
Printing & Stationery	174,127	166,467
Electricity & water charges	58,725	47,621
Travelling & Conveyance expenses	336,889	688,685
Vehicle Running & Maintenance	277,989	224,674
Insurance	97,684	105,140
Filing & other Fees	117,814	117,341
Office maintenance	58,647	66,796
Postage Telephone & Telex	291,791	298,534
Legal & Professional Charges	338,769	402,021
Books & Periodicals	17,412	10,980
Payment to Auditors		
Audit fees :	33060	32400
Certification Charges	2,100	4,000
Directors Meeting Expenses	40,000	25,500
Bad Debts & Debit Balances w/off	1,829,504	753,849
Diwali Expenses	55,455	41,210
Member ship Fees	25,652	27,620
Security Charges	436,097	325,130
Subscription	23,937	7,831
	<u>4,348,241</u>	<u>3,507,927</u>

**BCC FUBA INDIA LIMITED**

	AS AT 31-Mar-05 AMOUNT (RS.)	AS AT 31-Mar-04 AMOUNT (RS.)
<b>SCHEDULE- XVII</b>		
<b>SELLING EXPENSES</b>		
Business Promotion	48,795	50,552
Advertisement & Publicity	13,000	14,500
Packing Materials	328,588	202,075
Freight & Cartage Outward	696,819	701,501
Commission,rebate & discount on Sales	88,880	130,079
Sales Tax Expenses	87,107	16,034
Sample	4,429	16,814
Liquid Damaged	2,441	6,402
Insurance On Export	52,131	39,053
Late delivery	856	
	<u>1,323,046</u>	<u>1,177,010</u>
<b>SCHEDULE- XVIII</b>		
<b>FINANCIAL CHARGES</b>		
Bank Charges	402,420	300,457
Interest on :		
Working Capital Loans	435,726	573,785
Unsecured Loans	8,022,166	7,158,163
Car Loan	79,173	36,060
Raw Material (foreign currency)	—	2,365
Others	551	767
	<u>8,940,036</u>	<u>8,071,597</u>
<b>SCHEDULE- XIX</b>		
<b>DEPRECIATION AND WRITE OFFS :</b>		
Depreciation	7,275,776	7,100,063
	<u>7,275,776</u>	<u>7,100,063</u>

**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 2005.****SCHEDULE-XX  
NOTES ON ACCOUNTS****A SIGNIFICANT ACCOUNTING POLICIES:**

The accounts are prepared on historical cost convention basis and materially comply with the mandatory Accounting Standards issued by the institute of Chartered Accountants of India. The significant accounting policies followed by the company are as follows:

**1. FIXED ASSETS AND DEPRECIATION**

- (a) Expenditure of Capital nature are capitalised at cost comprising purchase price (net of rebates, discounts, excise duties, custom duty) levies and any other cost which is directly attributable to bringing the asset to its working condition for the intended use.
- (b) Depreciation has been provided on straight-line method as per section 205 of the companies Act, 1956, on pro- rata basis as per the rates specified in Schedule XIV of the companies Act, 1956.

**2. TREATMENT OF FOREIGN CURRENCY ITEMS:**

- (a) Foreign Exchange transactions denominated in foreign currency are recorded at the rate of the date, on which such transactions are initially recognised.
- (b) Current Assets & Current Liabilities receivable/payable in Foreign Currency and outstanding in the books of account as at the close of the year are reflected on the basis of the Foreign Exchange rates prevailing as on that date.
- (c) Gains and losses on Foreign Exchange transactions relating to the Foreign Exchange rate difference account to be charged to the Profit and Loss Account as far as possible.

**3. SALE**

Sales are inclusive of Excise duty and export sales are recognised in the books on Airway bill date.

**4. PURCHASE**

Imported raw material is accounted for at the date of receipt of such goods in the factory and is booked at the rate mentioned in the Bill of Entry. Provisions for the all-outstanding bills as on 31st March are accounted for at the rate prevailing on that date.

**5. INVENTORY VALUATION**

- a) Stocks of raw materials are valued according to Weighted Average Cost method as prescribed for the valuation of inventory at purchase cost or net realisable value whichever is low. The quantity and valuation of stocks of Raw Material is taken as physically verified, valued and certified by the management at the end of the year.
- b) Finished goods are valued at lower of cost or net realisable value. Cost for the purpose is determined on the basis of absorption costing method. The quantity and valuation of finished goods is taken as physically verified, valued and certified by the management as at the end of the year.
- c) The stocks of Work in progress is valued at the estimated cost to the Company. The quantity and valuation of Inventory of W.I.P. is taken as physically verified, valued and certified by the management as at the end of the year

**6. TREATMENT OF EXCISE DUTY:**

The Excise Duty is accounted for as and when the same is paid on dispatch of goods from the factory/bonded premises and provision made for goods lying in the factory and included in the value of such-stocks.

**7. REVENUE RECOGNITION:**

- a) The income is accounted for on accrual basis.
- b) Commission payable to the 'Sales Representatives' accrues as and when the realization is made by the representative from the debtors, in accordance with the rates specified in their respective agreement with the company.

**8. TREATMENT OF RETIREMENT BENEFITS**

- a) Contribution to Provident Fund is made at the specified rates and the same is debited to the Profit and Loss Account on accrual basis.
- b) Provision for gratuity of employees is made on an estimated basis for those employees who have put in the qualifying period of service.
- c) Provision for Leave encashment is made on estimated basis on earned leave as on the date of Balance Sheet.

**9. DEFERRED TAX**

In the view of accumulated losses and erosion in the value of net worth Deferred Tax Assets/Liabilities has not been provided in the books of accounts keeping in view of the prudence concept as per Accounting Standards 22 issued by the Institute of Chartered Accountants of India.

**10. CONTINGENT LIABILITIES:**

All liabilities have been provided for in the accounts except liabilities of contingent nature, which have been disclosed at their estimated value in the notes on accounts.

**B. OTHER NOTES****1. Contingent liabilities not provided for in respect of:**

- i) Letters of Credit outstanding for Raw Materials Rs.51.65 Lacs (Previous year Rs.55.07 Lacs)
- ii) The departmental petition with the Income Tax Appellate Tribunal against the order of CIT (Appeal) for the Assessment Year 1992-93 is decided in the favour of the Company. However demand of Rs.163810/- raised by the department was paid and the same is due for refund. A representation is filed by the Company with the concerned Authority of Income Tax Department for obtaining refund.
- iii) Show Cause notice issued by the Central Excise Department vide its C no v (85) D/S/ 121/03 dated 30.06.2003 for a sum of Rs. 78717/- due to short payment of excise duty on the goods cleared from the factory. The management of Company has taken up the matter with the relevant authority.

**2. RELATED PARTY DISCLOSURE**

1	Name of the Related Party	<b>BHAGAT CONSTRUCTION CO. PVT. LTD.</b>
2	Nature of Transaction	Unsecured Loan.
3	Nature of Relationship	Mr. V S Bhagat CMD in Reporting Company, is also a Director in Bhagat Construction co. Pvt. Ltd.
4	Volume of Transaction	Debit in this account for the year Rs. Nil Credit in this account for the year Rs. Nil
5	Outstanding at the end of the year	Rs. 6,42,279/- CR.

1	Name of the Related Party	<b>MAYA ENTERPRISES LTD.</b>
2	Nature of Transaction	Unsecured Loan
3	Nature of Relationship	Mr. VS Bhagat CMD in Reporting company is also a Director in Maya Enterprises Ltd.
4	Volume of Transaction	Debit in this account for the year Rs. 7,95,018/- Credit in this account for the year Rs. 14,10,896/-
5	Outstanding at the end of the year	1,17,94,406- CR.

1	Name of the Related Party	SAMRAT VIDEO VISION PVT. LTD.
2	Nature of Transaction	Unsecured Loan
3	Nature of Relationship	Mr. V S Bhagat CMD in Reporting company is also a Director in Samrat Video Vision Pvt. Ltd.
4	Volume of Transaction	Debit in this account for the year Rs. 71,01,303/- Credit in this account for the year Rs. 86,79,710/-
5	Outstanding at the end of the year	1,62,89,225/- CR.

1	Name of the Related Party	MR. V.S.BHAGAT
2	Nature of Transaction	Unsecured Loan
3	Nature of Relationship	Mr. V S Bhagat is CMD in BCC Fuba India Ltd.
4	Volume of Transaction	Debit in this account for the year Rs. 87,17,866/- Credit in this account for the year Rs. 64,15,560/-
5	Outstanding at the end of the year	3,61,89,400/- CR.

3. Remuneration paid to the Managing Director included in Payment and Provision for Employees:

	Current Year Rupees	Previous Year Rupees
Basic Salary	12,00,000	12,00,000
Contribution to provident funds	1,44,000	1,44,000
Medical reimbursement	12,000	12,000
LeaseRent/ HouseRentAllowance	2,88,000	2,88,000
	<b>16,44,000</b>	16,44,000

4. The Management has decided not to write off Miscellaneous Expenditure amounting to Rs.51,23,445/- upto 31.03.2005 (Previous Year Rs. 51,23,445/-) the same will be charged to Profit & Loss account in the year in which company will earn adequate profits.
5. In conforming with the resolution passed by the board on 30th day of April 2002, the company has deposited Rs 3,60,782/- to Investor Education and Protection fund, however Rs. 41,000/- is still pending under the head Current Asset as Share Application money and the respective amount under the head Current Liabilities as Share Application money refundable, pending confirmation and reconciliation.
6. In the opinion of the Management, Current Assets, Loans and Advances are of the value stated, if realized in the ordinary course of business except otherwise stated. The provision for all the known Liabilities is adequate and not in excess of the amount considered reasonably necessary.
7. In respect of the dispute between the company and VHEL Industries Ltd., (Formerly known as Vikas Hybrids & Electronics Limited) the arbitrator had made an award for Rs. 12,64,930.89 towards the price of the PCBs supplied and Rs.29, 55,684.00 as claim towards price of the PCBs manufactured for VHEL Industries Ltd., but not lifted by them, with interest @15% p.a. from 1/4/93 till payment or the date of decree whichever is earlier in favour of the Company. The company VHEL has filed an application for rehabilitation with Board for Industrial and Financial Reconstruction during the year. The management is pursuing the matter for recovery of its dues.
8. Advance recoverable includes Rs.70, 683.00 being amount paid by the company for release of goods seized by excise department on the truck carrying the same not having proper documents. The company had filed a suit against the transport company in consumer disputes redress forum for the same and also have appealed to the excise department to release the amount as the company was made to deposit the amount with excise department. The matter is still under adjudication.

9. Company has to recover a sum of Rs. 68,93,367.70 from M/s Modern Circuits Industries (U.K.) the said Company has gone into Liquidation and a report of Liquidator has been received. The management estimated that at least 50% of the amount will not be recoverable and the same has been written off in the Books of Account in earlier years. There seems very bleak chances of recovering the balance amount but the management is still making efforts. However during the current year management has decided to write off additional 25% of the total outstandings.
10. Company has to recover a sum of Rs.284489.47 from a concern M/s Powerlink Technology. The matter is pending before Patiala House Court for adjudication. The management is hopeful for recovery of the pending amount.
11. Other income includes Rs.93458/- as interest received (Previous year Rs. 54,263/-) on Short Term Deposits with Scheduled Commercial Banks.
12. As per the information available, no amount exceeding a sum of Rs. One Lacs each is due to small scale industries for more then 30 days as on 31/03/2005.
13. The personal accounts of the parties are subject to their respective confirmations.
14. Provision for taxation has not been made in view of unabsorbed deprecation and business loss.
15. Additional information pursuant to the provisions of paragraph 3,4C and 4D of Schedule VI of the Companies Act, 1956 (As certified by the Management and relied upon by the Auditors).

a) Licensed, installed capacity and Actual production:

ITEM	UNIT	LICENSED CAPACITY	INSTALLED CAPACITY	ACTUAL PRODUCTION
Printed Circuit Boards	Square Meters	23400 (23400 )	23400 (23400)	21559.24 (18192.04)

(Figures in brackets are for Previous year)

b) Raw Materials, Stores & Spares Consumed:

	2004-2005		2003-2004	
	Qty in. Sq. Mtr	Value (Rs.lacs)	Qty in. Sq.Mtr	Value (Rs.lacs)
i) Laminated Sheets	29404.76	202.55	25,250.61	140.84
ii) Others-Chemicals Consumable stores etc.	—	270.48	—	214.86
	<b>29,404.76</b>	<b>473.03</b>	<b>25,250.61</b>	<b>355.70</b>

c) Percentage of Material (Laminates) Consumed:

Raw Materials	2004-2005		2003-2004	
	%age	Value (Rs. Lacs)	%age	Value (Rs. Lacs)
i) Imported	97.38	197.23	99.52	140.16
ii) Indigenious	2.62	5.32	00.48	0.68
	<b>100.00</b>	<b>202.55</b>	<b>100.00</b>	<b>140.84</b>

d) CIF Value of Imports:

	2004-2005 (Rs. Lacs)	2003-2004 (Rs. Lacs)
i) Raw Materials	192.02	120.95
ii) Stores, spares & chemicals	125.45	80.64
iii) Plant & Machinery	0.13	7.26

**e) Expenditure in Foreign Currency:**

Travelling **Rs. NIL**  
(Previous year Rs.3,32,768/-)

Others **Rs. NIL**  
(Previous year Rs.2365/-)

**f) FOB Value of Export**

**Rs.1,02,58,987/-**  
(Previous year 90,75,789/-)

**g) Sales:**

	2004-2005		2003-2004	
	Qty in. Sq. Mtr	Value (Rs.lacs)	Qty in. Sq.Mtr	Value (Rs.lacs)
Printed Circuit Board	21171.50	1022.42	18127.90	816.88

**h) Stock particulars of finished goods:**

Unit	Opening Stock		Closing Stock	
	Qty.	Value in (Rs. Lacs)	Qty.	Value in (Rs.lacs)
Square Mtrs.	976.31	36.78	1364.05	48.90

**16. Auditors' Remuneration:**

	2004-2005 (Rs.)	2003-2004 (Rs.)
- Audit Fee	33,060/-	32,400/-
- Other Expenses	2,100/-	4,000/-

17. Previous year figures have been regrouped & reclassified wherever necessary to make them comparable of those the current year.

18. Figures have been rounded off to the nearest rupee.

19. Schedules I to XX form an integral part of the Balance Sheet as at 31st March 2005 and have been duly authenticated as such.

As per our report of even date attached  
**For VINAY AGGARWAL & ASSOCIATES**  
Chartered Accountants

for and on behalf of the Board of Directors

Sd/-  
**(VINAY AGGARWAL)**  
Partner

Sd/-  
**R. S. TIWARI**  
Company Secretary

Sd/-  
**A. P. MATHUR**  
**R. M. MEHTA**  
**RENU BHAGAT**  
**VEENU PASRICHA**  
Directors

Place : New Delhi  
Date : 30/06/2005

**V. S. BHAGAT**  
Chairman & Managing Director



**CASH FLOW STATEMENT FOR THE YEAR 31ST MARCH, 2005**

	Year Ending 31st, March, 2005 Rs. in Lacs	Year Ending 31st, March, 2004 Rs. in Lacs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS	23.70	6.20
ADJUSTMENTS FOR :		
Depreciation	72.75	70.99
Depreciation for earlier year		
Interest on Term Loan	85.38	77.71
Liabilities written off	NIL	NIL
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>181.83</u>	<u>148.70</u>
ADJUSTMENT <sup>1</sup> FOR :		
Increase / Decrease in Trade and other receivables	(46.44)	(104.81)
Increase / Decrease in Inventories	(12.74)	(12.88)
Increase / Decrease in Trade payables & other liabilities	(23.13)	46.92
CASH GENERATED FROM OPERATIONS	<u>99.52</u>	<u>(70.77)</u>
Less : Profit on sale of assets	—	(0.01)
Less : Interest paid	(85.38)	(77.71)
Net cash from operating activities...(a)	<u>14.14</u>	<u>84.13</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase off fixed assets/assets/capital work in progress	(5.37)	(25.68)
sale of fixed assets	—	0.10
Purchase of investments	NIL	NIL
interest/Dividends received	NIL	NIL
Net cash uses in investing activity...(b)	<u>(5.37)</u>	<u>(25.58)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in long term borrowings	—	—
Increase/Decrease in working capital loans & others	(18.00)	22.27
increase/Decrease in unsecured loans	(1.08)	37.95
Net cash received in financing activities (c)	<u>(19.08)</u>	<u>60.22</u>
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>(10.31)</u>	<u>41.05</u>
Opening cash & cash equivalents	54.80	13.75
Closing cash & cash equivalents	44.49	54.80

As per our report of even date attached  
For **VINAY AGGARWAL & ASSOCIATES**  
Chartered Accountants

for and on behalf of the Board of Directors

Sd/-  
**(VINAY AGGARWAL)**  
Partner

Sd/-  
**R. S. TIWARI**  
Company Secretary

Sd/-  
**A. P. MATHUR**  
**R. M. MEHTA**  
**RENU BHAGAT**  
**VEENU PASRICHA**  
Directors

Place : New Delhi  
Date : 30/06/2005

**V. S. BHAGAT**  
Chairman & Managing Director

**PART IV  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No.		12209	State Code	6
Balance Sheet Date	Date	Month	Year	
	31	03	2005	

**II Capital Raised during the year (Amount in Rs. Thousand)**

Public Issue	—	Right Issue	—
Bonus Issue	—	Private Placement	—

**III Position of Mobilisation and Development of Funds (Amount in Rupees Thousand)**

Total Liabilities	130056	Total Assets	130056
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**Source of Funds**

Paid-up Capital	60581	Reserves & Surplus	—
Secured Loans	4560	Unsecured Loans	64915

**Application of Funds**

Net Fixed Assets	46653	Investments	—
Net Current Assets	55658	Misc Expenditure	5123
Loss	22622		

**IV Performance of Company (Amount in Rupees Thousands)**

Turnover	104402	Total Expenditure	102032
Profit before Tax	2370	Profit After Tax	2370
Earning per Share in Rs.	0.39	Dividend Rate %	—

**V Generic Names of Three Principal Products/Services of Company (As per Monetary terms)**

Item Code No.	853466
(ITC Code)	
Product Description	PRINTED CIRCUIT BOARDS PFOFFESIONAL GRADE

As per our report of even date attached  
**For VINAY AGGARWAL & ASSOCIATES**  
 Chartered Accountants

for and on behalf of the Board of Directors

Sd/-  
**(VINAY AGGARWAL)**  
 Partner

Sd/-  
**R. S. TIWARI**  
 Company Secretary

Sd/-  
**A. P. MATHUR**  
**R. M. MEHTA**  
**RENU BHAGAT**  
**VEENU PASRICHA**  
 Directors

Place : New Delhi  
 Date : 30/06/2005

**V. S. BHAGAT**  
 Chairman & Managing Director

# BCC FUBA INDIA LIMITED

Regd Office : 4 Km., Swarghat Road, Nalagarh - 174 101, Dist Solan (H.P.)

## FORM OF PROXY

I/We..... of..... in the district of..... being a member/members of the BCC FUBA INDIA LIMITED, hereby appoint Mr/Mrs/ Miss..... of..... in the district of..... or failing him/her Mr/Mrs/ Miss..... of..... in the district of..... as my/our Proxy to vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held on Friday the 30th September, 2005 at 2.30 P.M. or at any adjournment thereof.

Signed this ..... day of ..... 2005.

Signature.....

Afix Re 1.00 Revenue Stamp
-------------------------------------

Folio No.....

DP ID .....

Client ID.....

No.of Shares held.....

**Note** : If a member is unable to attend the meeting, he/she may fill this form and send it to the Registered Office of the Company so as to reach atleast 48 hours before the time for holding the meeting.

# BCC FUBA INDIA LIMITED

Regd Office : 4 Km., Swarghat Road, Nalagarh - 174 101, Dist Solan (H.P.)

## ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the Entrance of the Hall. Only Members or their Proxies are entitled to be present at the meeting.

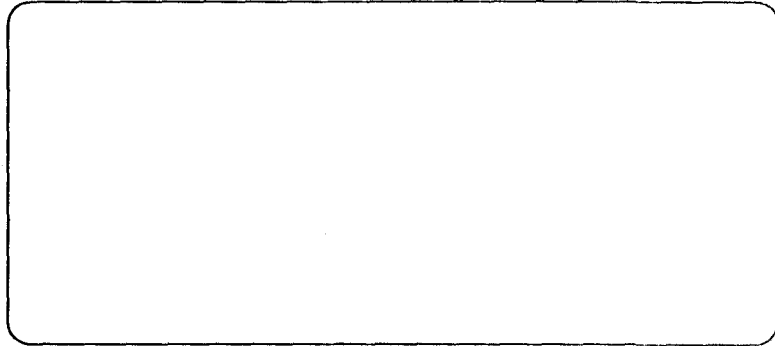
Name and Address of the Member	Folio No.
	Client ID No.
	DP ID No.
	No. of Shares Held

I hereby record my presence at the 19th Annual General Meeting of the Company at the Registered Office of the Company, on Friday the 30th September, 2005 at 2.30 P.M.

Signature of the Shareholder	Signature of the Proxy

- Note** :
1. The copy of Annual Report may please be brought to the Meeting Hall.
  2. Briefcases, Hand Bags etc. are not allowed inside the Meeting Hall.
  3. **Please note that no gifts will be distributed at the meeting.**

## BOOK - POST



Printed Matter

*If undelivered please return to :*

**BCC FUBA INDIA LIMITED**

**Regd Office** : 4 Km., Swarghat Road,  
Nalagarh - 174 101, Dist Solan (H.P.)

**R. G. : 25920466, 25920467**