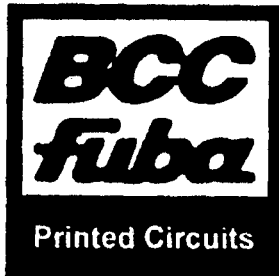


**20th
Annual Report
2005-2006**



BCC FUBA INDIA LIMITED

BCC FUBA INDIA LIMITED

20th Annual Report

BOARD OF DIRECTORS

1.	MR. V. S. BHAGAT	CHAIRMAN & MANAGING DIRECTOR
2.	Mrs. RENU BHAGAT	DIRECTOR
3.	MR. A. P. MATHUR	DIRECTOR
4.	MR. R. M. MEHTA	DIRECTOR
5.	MR. VEENU PASRICHA	DIRECTOR
6.	MR. WALTER DRACH	DIRECTOR

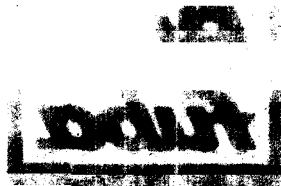
COMPANY SECRETARY

MR. R. S. TIWARI

AUDITORS

VINAY AGGARWAL & ASSOCIATES

Chartered Accountants
E-67, (LGF), Greater Kailash-III
(Masjid Moth), New Delhi-110048



INTERNAL AUDITORS

S. MALHOTRA & CO.

Chartered Accountants
E-513, Greater Kailash-II
New Delhi - 110048

REGD. OFFICE & WORKS

: 4km., Swarghat Road, Nalagarh-174 101
Distt. Solan, Himachal Pradesh.

HEAD OFFICE

: C-136, 1st Floor
Defence Colony, New Delhi-110024

SHARE TRANSFER AGENT

: Intime Spectrum Registry Ltd.
A-31, 11th Floor, Naraina Industrial Area,
Phase-I, New Delhi - 110028
Phone: 41410592-94

BANKER

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

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the members of M/s. BCC FUBA INDIA LIMITED will be held on Wednesday the 20th day of September, 2006 at 2.30 P.M. at the Registered office of the Company at 4Km., Swarghat Road, Nalagarh, Distt. Solan (H.P) to transact the following business;

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2006 and the Profit and Loss Account for the year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Veenu Pasricha who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit to pass with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT M/s. Vinay Aggarwal & Associates, Chartered Accountants, the retiring auditors be and are hereby appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration of Rs. 30,000/- for the statutory audit of accounts for the year 2006-2007.

"RESOLVED THAT M/s Vinay Aggarwal & Associates, Chartered Accountants the retiring auditors be and are hereby appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration of Rs. 30,000/- for the statutory audit of accounts for the year 2006-2007.

By order of the Board of Directors

Place : New Delhi
Date : 30.06.2006

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

NOTES:

1. Explanatory statements for the item no. 3 as required under section 173(2) of the Companies Act, 1956 is annexed.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy so appointed need not be a member of the company.
3. The proxy form duly executed and properly stamped should reach the Company at its Registered office at least 48 hrs. before the time of meeting.
4. The Register of members and the share transfer books of the company will remain closed from 10.09.2006 to 20.09.2006 (both days inclusive).
5. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company atleast 7 (seven) days in advance, so as to enable the Company to keep the information ready.
6. Members are requested to bring their copies of the Annual Report to the Meeting because copy of the same will not distributed at the meeting.
7. Members are requested to inform immediately any change in their address to the Company's share transfer Agents.
8. All communications relating to shares are to be addressed to the Company's Share Transfer Agents M/s. Intime Spectrum Registry Limited of A-31, 3rd Floor, Naraina Industrial Area, Phase-I, Near PVR, Cinema, New Delhi-110028.

ANNEXTURE TO THE NOTICE

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

Item No. 3. In terms of Articles 67(2) of the Articles of Association of the Company the appointment of Auditors is to be made by special resolution.

The members may consider and pass necessary resolution.

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

By order of the Board of Director

Place : New Delhi

Date : 30.06.2006

Sd/-

(R. S. Tiwari)

Company Secretary

DIRECTORS' REPORT

Dear Members,

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

FINANCIAL RESULTS

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

DIVIDEND

The directors do not recommend any dividend for the year.

OPERATIONAL HIGHLIGHT

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

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

DIRECTORS

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

Mr. Veenu Pasricha, Director of the Company retires by rotation at the ensuing Annual General Meeting. He, being eligible, has offered himself for re-appointment. As his continued presence on the board is of immense importance to the company, your directors recommend his re-appointment.

CAPITAL STRUCTURE:

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

AUDITORS

The auditors of the Company M/s. Vinay Aggarwal & Associates, Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Your directors and Audit committee recommend their re-appointment. The requisite certificate pursuant to Section 224(1B) of the Companies Act, 1956, has been received.

FIXED DEPOSIT:

The company did not accept any deposits covered under section 58A of the Companies Act, 1956 during the year under review.

LISTING OF SECURITIES

At present the securities of the Company are listed with the Ludhiana Stock Exchange Association Limited, Bombay Stock Exchange limited, The Delhi Stock Exchange Association Limited, The Stock Exchange Ahmedabad and the Calcutta Stock Exchange Association limited.

The company had proposed to delist the equity shares from all the Stock Exchanges except the Bombay Stock Exchange and the proposal for delisting is under consideration before the The Delhi Stock Exchange Association Limited, The Stock Exchange Ahmedabad, Ludhiana Stock Exchange Association Limited and the Calcutta Stock Exchange Association limited.

DEPOSITORY SYSTEM

As per the SEBI Guidelines it is required to have a common share transfer agent for all of the works related to Physical and Demat form of shares, M/s. Intime Spectrum Shares Registry Limited having Office at A-31, 3rd Floor, Naraina Industrial Area, Phase-I, New Delhi-110028 have been associated with us as share transfer agent. All the members are requested to contact them for any kinds of shares related matters.

THE CORPORATE GOVERNANCE CODE

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

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

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

OBSERVATION OF THE AUDITORS IN THE ANNUAL ACCOUNTS

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The report as required under the listing agreements with the Stock Exchanges is annexed and forms part of the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

While preparing the annual financial statements the Company has adhered to the following:

- In the preparation of the said financial statements the Company has followed the applicable accounting standards, referred to in Section 211(3-C) of the Companies Act, 1956.

The company has followed the said accounting standards and has been applying them consistently and has made judgments and estimates that are reasonable, prudent and are in the interest of the Company's business, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2006 and of the profit/loss of the Company, for the said period.

The Directors have taken proper and sufficient care, for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

The Directors have prepared the financial statements on a going concern basis.

CEO CERTIFICATION

Chairman & Managing Director has certified to the Board that:

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

- (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 to rectify these deficiencies.
 4. We have brought to notice of the auditors and the Audit Committee all the material transactions which have substantial effect on the financial health of the company.

INDUSTRIAL RELATIONS

The relations with labour remained cordial during the year.

ENERGY CONSERVATION/TECHNOLOGY ABSORPTION/ FOREIGN EXCHANGE EARNING AND OUTGO

Particulars of Energy Conservation / Technology Absorption and Foreign Exchanges earnings and out go as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of the particulars in the Report of Board of Directors) Rules 1988, are given annexure "I" and form part of this report.

PARTICULARS OF EMPLOYEES

Particulars of employees under Section 217(2A) of the Companies Act, 1956 read with the companies (Particulars of employees) Rules 1975, are given in Annexure II and form part of this report.

ACKNOWLEDGEMENT:

Yours Directors take the opportunity to offer thanks to the State Bank of Patiala for their valuable assistance. Yours Directors also wish to place on record their deep sense of appreciation for services of the executives, staff and workers of the company for smooth operations of the Company.

By order of the Board of Directors

Place : New Delhi
Date : 30.06.2006

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

FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

ANNEXURE-II

Particulars of Employees under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31 March 2006.

Name of the Employee	:	Mr. V.S. Bhagat
Age	:	65 Years
Designation/ Nature of Duties	:	Chairman & Managing Director/looking After the Company's affairs
Gross remuneration	:	16,44,000
Qualification	:	B.A. (Hons) in Economics
Experience	:	43 years
Date of Commencement of Employment	:	01-04-90
Previous Employment/ Position Held	:	Bhagat Construction Co. Pvt. Ltd., Director

NOTES

1. Mr. V.S. Bhagat is related to Mrs. Renu Bhagat & Mr. Veenu Pasricha, Director.
2. Remuneration received includes Gross salary, Employer's Contribution towards provident fund, medical reimbursement, cost of hiring leased/ concessional leased accommodation.
3. There is no employee in the Company, who is in receipt of remuneration in excess of that drawn by Managing Director and holds himself or alongwith his spouse and dependent children, not less than two percent of the equity shares of the company

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

Corporate Governance emphasizes the principle of self-governance. The Company's philosophy on Corporate Governance is focused upon a rich legacy of fair, ethical and transparent governance practices. We have been following the spirit of corporate governance since the date of incorporation of the company. We take utmost care to protect the interest of shareholders. Our main objective is to do justice with every one associated with us and follow the theme of corporate governance in spirit and not in word. The Company is in full compliance with the requirements under Clause 49 of the Listing Agreement with the Stock Exchanges.

2. Board of Directors

The Board of Directors consists of seven Directors.

Composition and category of Director is as follows:

Executive Directors:	Shri V.S.Bhagat
Promoters/ Non-executive Directors	Smt. Renu Bhagat
Non-executive and Independent Directors	Shri A.P.Mathur Shri Veenu Pasricha Shri R.M. Mehta Shri Walter Drach

Composition, Attendance at the Board Meetings and the last Annual General Meeting, Outside Directorships and other Board Committees

Director	No.of Board meetings attended	Attendance at previous AGM on 30.09.2005	No. of outside Director -ship held	No. of member-ship/Chair-manship in Committees	Executive/Non-executive/ Independent
1. Mr. V.S.Bhagat	5	Present	5	1	Executive
2. Mrs. Renu Bhagat	5	Present	3	1	Non executive
3. Mr. A.P.Mathur	4	Present	1	3	Non-executive and independent
4. Mr. R.M.Mehta	4	Absent	—	2	Non-executive and independent
5. Mr. Veenu Pasricha	4	Absent	3	2	Non-executive and independent
6. Mr. Walter Drach	—	Absent	—	—	Non-executive and independent

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

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

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

During the year, 18 complaints were received from the shareholders and all of them were resolved to the full satisfaction of the shareholders. No investors complaint was pending as on 31.03.2006

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
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
2004-05	4 Km. Swarghat Road, Nalagarh-174101, Distt. Solan, Himachal Pradesh	30.09.2005	Friday	2.30 P.M

No resolution was required to be put through postal ballot.

9. 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, 2006 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.

10. Means of communication

The quarterly, Half-yearly and Annual Results are generally published by the Company in English (Business Standard/ The Pioneer) 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.

11. General shareholders information:

(a) Annual General Meeting:

Date and time : 20th September 2006 at 2.30 P.M.
Venue : 4 Km. Swarghat Road, Nalagarh-174101
Distt. Solan, Himachal Pradesh

(b) Financial Calendar (tentative)

Annual General Meeting : 20.09.2006
Results for the quarter ending 30.06.2006 : Last week of July, 06
Results for the quarter ending 30.09.2006 : Last week of Oct, 06
Results for the quarter ending 31.12.2006 : Last week of Jan, 07
Results for the quarter ending 31.03.2007 : Last week of June, 07

(c) Book Closure Date : 16.09.2006 to 20.09.2006

(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 2005	7.50	5.30
May 2005	8.15	4.70
June 2005	8.23	5.35
July 2005	7.98	5.15
Aug. 2005	8.91	5.51
Sept. 2005	17.46	6.80
Oct. 2005	10.72	5.40
Nov. 2005	8.03	5.99
Dec. 2005	6.50	4.57
Jan. 2006	7.12	4.61
Feb. 2006	7.02	4.31
March 2006	4.57	3.06

(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 31.03.2006**

Sl. No.	Category	No. of shares	Percentage
1	Promoters	2369515	39.11
2	Indian Financial Institutions, Banks, Mutual Funds	220100	3.63
3	Foreign Institutional Investors/ NRIs	135919	2.24
4	Others	3333516	55.02
	Total	6059050	100.00

(h) **Distribution on shareholding as on 31.03.2006**

No. of share held	No. of Shareholders	% of shareholders	No. of Equity shares	% of shareholding
1 to 500	12796	93.93	1973707	32.58
501 to 1000	510	3.74	401582	6.63
1001 to 2000	66	1.22	254809	4.21
2001 to 3000	51	0.37	128774	2.12
3001 to 4000	18	0.13	63557	1.05
4001 to 5000	28	0.21	129802	2.14
5001 to 10000	30	0.22	210081	3.47
10001 and above	25	0.18	2896738	47.80
Total	13524	100.00	6059050	100.00

The above report was adopted by the Board of Directors at their meeting held on 30.06.2006.

Declaration regarding Compliance of code of conduct:

I, Vidya Sagar Bhagat, Chairman & Managing Director of M/s BCC FUBA INDIA LIMITED hereby declare that all Board Members and Senior Management Team have affirmed compliance of the code of conduct during the financial year ended 31.03.2006

Place : New Delhi
Date : 30.06.2006

Sd/-
(Vidya Sagar Bhagat)
Chairman & Managing Director

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 31.03.2006, 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

Place: New Delhi
Date: 30.06.2006

Sd/-
Sunil Singh
Partner

MANAGEMENT DISCUSSION AND ANALYSIS**FINANCIAL PERFORMANCE:**

The results for financial year ended 31 March 2006 show a loss on ordinary activities before taxation. Turnover for the year amounted to Rs. 8,47,77,832/- down from Rs. 10,22,42,029/- in 2005

The slowdown in the printed circuit board industry was very evident in the financial year under review. Demand during the first six months of the financial year was particularly weak with the result the company suffered a loss of Rs. 13,97,129/-. Although business picked up during the second half of the year, but it was difficult for the company to recover the losses incurred in the first six months.

We remain confident, however, in our ability to achieve better results in the coming year, which was primarily reflected in a stronger second half quarter of the year under review.

INDUSTRIAL STRUCTURE AND DEVELOPMENT

The Printed Circuit Board industry is characterized by constant and rapid technological changes, rapid product obsolescence and price erosion. But our country occupies a prominent place in the world in view of its massive potential of availability of highly qualified professionals having brilliant academic career, dedicated attitude to achieve the defined goal in the age of unprecedented change. We serve the electronics industry by supplying high-tech PCBs (printed circuit boards). Our products are used in the electronics industry-mobile handsets, telecommunication infrastructure, automotive and other industrial applications.

OPPORTUNITIES, RISKS AND CONCERNS

Global demand for electronics products and the printed circuits boards used to make them continues to rise. Rapid technological advances have permitted the incorporation of more and more functions on ever-smaller printed circuit boards. In addition, improvements in integrated circuit processing have dramatically increased circuit speeds. Both of these phenomena help to fuel the increase in demand for electronics equipment and, in turn, printed circuit boards.

The growth of the electronics equipment industry is driven also by a seemingly insatiable demand for both new and existing products. Examples of new products include interactive multimedia, handheld computers, voice recognition synthesis, image processing, character recognition and artificial intelligence. Coupled with existing products, such as radio, television and computers, these new technologies will demand great quantities of sophisticated electronics equipment and components, including printed circuit boards.

To meet the future challenges we have to keep in depth information and state of the art technological evaluations for decision making by strategic planners, marketers, forecasters, new product developers, business managers.

Our major challenges for the future include securing business growth possibilities to meet customers needs in a flexible and cost-effective way.

OUTLOOK

Our prime objective for the coming year to focus on marketing and procuring more and more order to run the plant at full capacity.

Our other area of thrust includes the expansion of our customer base and intensifying the co-operation with our current customers as well as improvement in internal efficiency. The investments made in for acquisition of new machinery improve particularly our position in high-tech printed circuits boards.

Our vision of operation include close co-operation with customers in product development and design, a quick development path from R&D to serial production and further to cost-effective large series. The well-focused technology development shall provide our customers with opportunities to improve the features of their new products. The total benefits for our customers shall be based on the combination of this method of operation, the product range and technological development. The combination shall give us a significant competitive edge over nearly all other PCB manufactures.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction authorized, recorded and reported correctly. The internal control is supplemented by extensive program of internal audits, review by management and documented policies, guidelines and procedures.

Industrial Relations and human resources development:

The industrial relations have been cordial and satisfactory. We recognize the importance of Human resources and give full respect for its development and are committed to the development of our human resource. Efforts continue to make the organization a great place to work.

Cautionary Statement:

Facts and figure in the Management's Discussion and Analysis describe the Company's projection and estimates may be "forward looking predications" and it may differ from the results.

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, 2006, 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, 2006, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31-03-2006 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, 2006 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, 2006 and
 - ii) In the case of the Profit and Loss Account, of the Loss 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/-
(SUNIL SINGH)
PARTNER

PLACE : New Delhi
DATED : 30.06.2006

**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. 649.15 lakhs and the year end balance of loans taken from such parties was Rs. 504.98 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, Service Tax, wealth tax, custom duty, excise-duty, Fringe Benefit Tax, 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, custom duty and excise duty were outstanding, as at 31.03.2006 for a period of more than six months from the date they became payable except followings.

<i>Nature of Liabilities</i>	<i>Amount (Rs.)</i>	
<i>Sales tax on sale of DEPB</i>	<i>93534/-</i>	<i>(Inclusive of Rs.17749/- Which is outstanding for more than six months and has not been provided in books of accounts)</i>

- (b) According to the records of company and as per information and explanations given to us there are no dues of sales tax, income tax, custom tax, wealth tax, excise duty, cess which have not been deposited on account of any dispute.
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/-

**(SUNIL SINGH)
PARTNER**

PLACE : New Delhi
DATED : 30.06.2006

BALANCE SHEET AS AT 31ST MARCH, 2006

	SCHEDULE No.	AS AT 31/3/2006 Amount (Rs.)	AS AT 31/3/2005 Amount (Rs.)
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS			
Share Capital	I	60,581,500	60,581,500
Reserves & Surplus	II		
LOAN FUNDS			
Secured Loans	III	6,682,795	4,559,717
Unsecured Loans	IV	50,498,078	64,915,310
TOTAL		117,762,373	130,056,527
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	V	139,002,355	138,223,394
Less : Depreciation		98,868,493	91,570,742
Net Block		40,133,862	46,652,652
CURRENT ASSETS, LOANS AND ADVANCES			
- Inventories	VI	24,111,622	21,217,866
- Sundry Debtors	VII	33,007,507	37,617,707
- Cash & Bank Balances	VIII	890,145	4,449,461
- Loans & Advances	IX	4,376,130	3,861,547
		62,385,404	67,146,581
Less : Current Liabilities & Provisions	X	14,105,732	11,488,299
Net Current Assets		48,279,672	55,658,282
Miscellaneous Expenditure (To the extent not written off or Adjusted)	XI	5,123,445	5,123,445
Profit & Loss Account		24,225,394	22,622,148
TOTAL		117,762,373	130,056,527
Notes on Accounts	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/-
SUNIL SINGH
Partner

Sd/-
R. S. TIWARI
Company Secretary

Sd/-
A. P. MATHUR
VEENU PASRICHA
Directors

Place : New Delhi
Date : 30/06/2006

V. S. BHAGAT
Chairman & Managing Director

BCC FUBA INDIA LIMITED**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006**

	SCHEDULE No.	AS AT 31/3/2006 Amount (Rs.)	AS AT 31/3/2005 Amount (Rs.)
INCOME			
Sales		84,777,832	102,242,029
Other Income		288,963	618,536
Increase/(Decrease) in Stock	XII	363,871	1,541,626
		<u>85,430,666</u>	<u>104,402,191</u>
EXPENDITURE			
Material Consumed	XIII	38,875,485	47,302,711
Excise Duty		10,359,373	13,156,249
Manufacturing Expenses	XIV	8,613,036	9,443,892
Employees Remuneration & Benefits	XV	10,186,784	10,265,306
Administrative Expenses	XVI	2,956,003	4,348,241
Selling Expenses	XVII	691,768	1,323,046
Financial Charges	XVIII	7,847,595	8,940,036
Depreciation	XIX	7,297,751	7,275,776
		<u>86,827,795</u>	<u>102,055,257</u>
Net Profit/(Loss) for the year		(1,397,129)	2,346,934
Add/Less: Expenses related to previous year		109,819	22,986
Net Profit/(Loss) before Tax		(1,506,948)	2,369,920
Add/Less: Provision for Fringe Benefit Tax		96,298	—
Net Profit/(Loss) after Tax		(1,603,246)	2,369,920
Add : Brought Forward Losses		<u>(22,622,148)</u>	<u>(24,992,068)</u>
		<u>(24,225,394)</u>	<u>(22,622,148)</u>
Balance Carried over to Balance Sheet		<u>(24,225,394)</u>	<u>(22,622,148)</u>
Basic / Diluted EPS		(0.26)	0.39
Notes on Accounts	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/-
SUNIL SINGH
Partner

Sd/-
R. S. TIWARI
Company Secretary

Sd/-
A. P. MATHUR
VEENU PASRICHA
Directors

Place : New Delhi
Date : 30/06/2006

V. S. BHAGAT
Chairman & Managing Director

SCHEDULES TO BALANCE SHEET

	AS AT 31-Mar-06 AMOUNT (RS.)	AS AT 31-Mar-05 AMOUNT (RS.)
SCHEDULE-I		
SHARE CAPITAL		
Authorised :		
6500000 Equity Shares of Rs.10/- each	<u>65,000,000</u>	<u>65,000,000</u>
Issued and Subscribed		
6059050 (Previous year 6059050) Equity Shares of Rs.10 each	<u>60,590,500</u>	<u>60,590,500</u>
Paid Up		
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>60,581,500</u>	<u>60,581,500</u>
SCHEDULE-II		
RESERVES & SURPLUS		
	<u>—</u>	<u>—</u>
SCHEDULE-III		
SECURED LOANS :		
Working Capital Loan from Banks	<u>6,146,954</u>	<u>3,745,558</u>
Vehicle Loan	<u>535,841</u>	<u>814,159</u>
	<u>6,682,795</u>	<u>4,559,717</u>
Security :		
Working capital loan provided by State Bank Of Patiala is secured by way of hypothecation of stocks, Bookdebts & first charge on the fixed assets.		
SCHEDULE-IV		
UNSECURED LOANS		
1 From a Director	<u>33,093,745</u>	<u>36,189,400</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>10,659,041</u>	<u>11,794,406</u>
(c) Samrat Video Vision Pvt.Ltd.	<u>6,103,013</u>	<u>16,289,225</u>
	<u>50,498,078</u>	<u>64,915,310</u>

**SCHEDULE-V
FIXED ASSETS**

(AMOUNT IN RS.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	VALUE AS AT 01/04/2005	ADDITION DURING THE YEAR	SALE/ADJUST- MENT DURING THE YEAR	AS AT 31.3.06	UPTO 31.3.05	FORTHE PERIOD	ADJUST./ DEDU- CTIONS	UPTO 31.3.06	AS AT 31.3.06	AS AT 31.3.05
LAND (FREE HOLD)	651,061	—	—	651,061	—	—	—	—	651,061	651,061
BUILDING	8,648,928	—	—	8,648,928	3,687,240	274,380	—	3,961,619	4,687,309	4,961,688
PLANT & MACHINERY	120,492,425	742,086	—	121,234,511	83,359,373	6,473,198	—	89,832,571	31,401,940	37,133,052
ELECTRICAL WORKS	3,071,378	—	—	3,071,378	1,981,982	145,891	—	2,127,872	943,507	1,089,396
FURNITURE & FIXTURES	986,448	—	—	986,448	789,162	62,442	—	851,604	134,844	197,286
OFFICE EQUIPMENT	1,355,957	36,875	—	1,392,832	553,604	64,691	—	618,295	774,538	802,354
STORAGE & OTHER EQUIPMENT	180,917	—	—	180,917	81,815	8,594	—	90,409	90,508	99,102
FIRE FIGHTING EQUIPMENT	18,774	—	—	18,774	12,156	892	—	13,048	5,726	6,618
VEHICLES	2,817,506	—	—	2,817,506	1,105,412	267,663	—	1,373,075	1,444,431	1,712,094
TOTAL	138,223,394	778,961	—	139,002,355	91,570,742	7,297,751	—	98,868,493	40,133,862	46,652,652
PREVIOUS YEAR	137,686,285	537,109	—	138,223,394	84,294,967	7,275,775	—	91,570,742	46,652,652	

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	AS AT 31-Mar-06 AMOUNT (RS.)	AS AT 31-Mar-05 AMOUNT (RS.)
SCHEDULE-VI		
INVENTORIES		
(As certified and valued by the Management on which Auditors have relied)		
Raw material	11,975,397	9,620,293
Stores & Spares	1,842,828	1,668,046
Work-in-progress	4,320,300	5,039,809
Finished Goods	5,973,097	4,889,718
	<u>24,111,622</u>	<u>21,217,866</u>
SCHEDULE-VII		
SUNDRY DEBTORS		
(Unconfirmed, unsecured)		
Debts outstanding for a period exceeding six months	5,877,774	5,706,267
	<u>5,877,774</u>	<u>5,706,267</u>
Other Debts	27,129,733	31,911,440
	<u>33,007,507</u>	<u>37,617,707</u>
SCHEDULE-VIII		
CASH & BANK BALANCES		
Cash in hand	40,377	30,717
Balance with Scheduled Banks :		
- In Current Accounts	47,890	2,346,646
- In Term Deposits Accounts	750,000	1,925,000
- Interest Accrued but not due on FDR	10,878	106,098
- In Share Application Money Accounts (subject to reconciliation & confirmation)	41,000	41,000
	<u>890,145</u>	<u>4,449,461</u>

	AS AT 31-Mar-06 AMOUNT (RS.)	AS AT 31-Mar-05 AMOUNT (RS.)
SCHEDULE-IX		
LOANS AND ADVANCES		
(Unsecured, unconfirmed considered goods)		
Advances recoverable in cash or in kind or for value to be received	3,261,020	3,093,043
Staff Advances	48,798	77,542
Security Deposits (inclusive of interest accrued and due on fdr with excise dept.)	1,066,312	690,962
	<u>4,376,130</u>	<u>3,861,547</u>

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

Sundry Creditors

- Dues to small scale industrial undertaking	117,948	268,559
- Dues to other than small scale industrial undertaking	8,053,084	4,523,058

Expenses Payable	2,102,413	3,234,421
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Advance from Customers	19,720	30,387
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Share Application Money refundable (Subject to reconciliation with the banks)	41,000	41,000
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Total A	<u>10,334,165</u>	<u>8,097,425</u>
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B. PROVISIONS

Provision for Gratuity	2,411,768	2,297,500
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Provision for Bonus	238,592	215,971
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Provision for Leave encashment	186,868	202,959
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Provision for Excise Duty	838,041	674,444
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Provision for Fringe Benefit Tax	96,298	
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Total B	<u>3,771,567</u>	<u>3,390,874</u>
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Total A+B	<u>14,105,732</u>	<u>11,488,299</u>
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SCHEDULE-XI**MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

Foreign Training & technician expenses	98,399	98,399
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Preliminary Expenses	69,905	69,905
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Technical Know How Fee	2,541,788	2,541,788
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Public issue Expenses	1,755,026	1,755,026
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Right Issue Expenses	658,327	658,327
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	<u>5,123,445</u>	<u>5,123,445</u>
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	AS AT 31-Mar-06 AMOUNT (RS.)	AS AT 31-Mar-05 AMOUNT (RS.)
SCHEDULE-XII		
INCREASE IN STOCKS		
CLOSING STOCKS		
Work in Progress	4,320,300	5,039,809
Finished Goods	5,973,097	4,889,717
Total A	<u>10,293,397</u>	<u>9,929,526</u>
Less: OPENING STOCKS		
Work in Progress	5,039,809	4,710,187
Finished Goods	4,889,717	3,677,713
Total B	<u>9,929,526</u>	<u>8,387,900</u>
Increase/(Decrease) in stock (A-B)	<u>363,871</u>	<u>1,541,626</u>

SCHEDULE-XIII
MATERIAL CONSUMED

Opening stock

Raw Material	9,620,293	10,081,257
Stores & Spares	1,668,046	1,474,586

ADD:Purchases

Raw Material	40,129,331	45,192,297
Stores & Spares	1,276,040	1,842,910
	<u>52,693,710</u>	<u>58,591,050</u>

LESS:Closing Stock

Raw Material	11,975,397	9,620,293
Stores & Spares	1,842,828	1,668,046

Consumed during the year

<u>38,875,485</u>	<u>47,302,711</u>
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SCHEDULE- XIV
MANUFACTURING EXPENSES

Power & Fuel	6,400,578	6,580,353
Testing charges	5,513	4,060
Freight & Cartage	329,905	328,320
Repair & Maintenance		
Plant & machinery	779,535	1,188,902
Buildings	621,579	689,125
Others	134,719	215,794
Job charges	341,207	437,338
	<u>8,613,036</u>	<u>9,443,892</u>

	AS AT 31-Mar-06 AMOUNT (RS.)	AS AT 31-Mar-05 AMOUNT (RS.)
SCHEDULE- XV		
EMPLOYEES REMUNERATION & BENEFITS		
Salary & Allowances	8,905,865	8,841,157
Contribution to Provident & other funds	931,601	934,408
Staff welfare	184,836	223,010
Bonus	164,482	156,231
Retrenchment Expenses	—	110,500
	<u>10,186,784</u>	<u>10,265,306</u>
SCHEDULE- XVI		
ADMINISTRATIVE EXPENSES		
Printing & Stationery	147,710	174,127
Electricity & water charges	66,394	58,725
Travelling & Conveyance expenses	263,607	336,889
Vehicle Running & Maintenance	267,577	277,989
Insurance	99,593	97,684
Filing & other Fees	31,177	25,239
Office maintenance	74,886	58,647
Postage Telephone & Telex	274,160	291,791
Legal & Professional Charges	304,221	338,769
Books & Periodicals	12,961	17,412
Payment to Auditors		
Audit fees :	33060	33060
Certification Charges	—	2,100
Directors Meeting Expenses	54,000	40,000
Bad Debts & Debit Balances w/off	165,434	1,829,504
Diwali Expenses	60,050	55,455
Member ship Fees	30,930	25,652
Security Charges	488,791	436,097
Subscription	15,943	23,937
Computer Software Development Exps	4,700	1,830
Exchange Rate Difference	300,294	—
General Expenses	4,783	4,914
Pollution Control Expenses	97,001	92,575
Publishing Charges	68,256	67,850
Share Transfer Expenses	68,110	42,386
Short & Excess Recovery	16,065	3,609
Staff Recruitment	1,300	—
Donation	5,000	12,000
	<u>2,956,003</u>	<u>4,348,241</u>

	AS AT 31-Mar-06 AMOUNT (RS.)	AS AT 31-Mar-05 AMOUNT (RS.)
SCHEDULE- XVII		
SELLING EXPENSES		
Business Promotion	41,174	48,795
Advertisement & Publicity	21,600	13,000
Packing Materials	218,783	328,588
Freight & Cartage Outward	299,621	696,819
Commission,rebate & discount on Sales	76,478	88,880
Sales Tax Expenses	5,174	87,107
Sample	1,883	4,429
Liquidity Damages	—	2,441
Insurance On Export	27,055	52,131
Late delivery	—	856
	<u>691,768</u>	<u>1,323,046</u>

SCHEDULE- XVIII
FINANCIAL CHARGES

Bank Charges	438,184	402,420
Interest on :		
Working Capital Loans	480,119	435,726
Unsecured Loans	6,868,558	8,022,166
Car Loan	57,491	79,173
Others	3,243	551
	<u>7,847,595</u>	<u>8,940,036</u>

SCHEDULE- XIX
DEPRECIATION AND WRITE OFFS :

Depreciation	<u>7,297,751</u>	<u>7,275,776</u>
	<u>7,297,751</u>	<u>7,275,776</u>

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 2006**SCHEDULE-XX
NOTES ON ACCOUNTS****A SIGNIFICANT ACCOUNTING POLICIES:**

The financial statement have been prepared under the historical cost convention on accrual basis and comply in all material respects with the mandatory Accounting standards issued by the institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

1. FIXED ASSETS

(a) Fixed Assets are stated at cost, less accumulated depreciation less impairment, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

DEPRECIATION

(b) Depreciation is provided on straight line method on pro rata basis on the rates prescribed under 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 net of sales returns. Export sales is recognised on the basis of the Airway bills 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 stock 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 at the year end and included in the value of such-stocks.

7. REVENUE RECOGNITION:

a) The income is recognised on the accrual basis.

b) Export incentives are accounted on accrual basis and included estimated realisable values/duty exemption pass book schemes, wherever applicable.

8. RETIREMENT BENEFITS

- a) Contribution to Provident Fund is made at the specified rates and the same is charged 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 on the date of Balance Sheet.
- c) Provision for Leave encashment is made on estimated basis on earned leave accumulated as on the date of Balance Sheet.

9. TAXES ON INCOME

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.

Fringe Benefit Tax (FBT) is determined in respect of fringe benefits provided or deemed to have been provided during the current financial year as per Income Tax Act, 1961. Advance Tax paid for FBT Rs.117548/- shown in Advance Recoverable under the head Loans & Advances.

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.60.44 Lacs (Previous year Rs.51.65 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.

2. RELATED PARTY DISCLOSURE

1	Name of the Related Party	BHAGAT CONSTRUCTION CO. 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 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	MAYA ENTERPRISES LTD.
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. 24,43,558/- Credit in this account for the year Rs. 13,08,193/-
5	Outstanding at the end of the year	1,06,59,041- 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. 1,17,86,714/-Credit in this account for the year Rs. 16,00,502/-
5	Outstanding at the end of the year	61,03,013/- 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. 81,55,518/-Credit in this account for the year Rs. 50,59,863/-
5	Outstanding at the end of the year	3,30,93,745/- 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
	16,44,000	16,44,000

4. The Management has decided not to write off Miscellaneous Expenditure amounting to Rs.51,23,445/- upto 31.03.2006 (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 district 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 has been decided in favour of the transport company. However the amount is still included in advance recoverable as the company has decided to file appeal to State Consumer Disputes Redressal Forum, Shimla.

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 75% of the amount will not be recoverable and the same has been written off in the Books of Account in earlier years. There seem very bleak chances of recovering the balance amount but the management is still making efforts.
10. Company has to recover a sum of Rs.2,84,489.47 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. Company has to recover a sum of Rs.2,85,315/- from a concern M/s Kirti Fincap Ltd. Unit M/s HMDTechnologies. The matter is pending before Patiala House Court for adjudication. The management is hopeful for recovery of the pending amount.
12. As per the information available, no amount exceeding a sum of Rs. One Lacs each is due to small scale industries for more than 30 days as on 31/03/2006.
13. The personal accounts of parties are subject to confirmation and the management reasonably mentioned.
14. Provision for taxation has not been made in view of unabsorbed depreciation 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)	19903.12 (21559.24)

(Figures in brackets are for Previous year)

b) Raw Materials, Stores & Spares Consumed:

	2005-2006		2004-2005	
	Qty in. Sq. Mtr	Value (Rs.lacs)	Qty in. Sq.Mtr	Value (Rs.lacs)
i) Laminated Sheets	25783.11	183.65	29404.76	202.55
ii) Others-Chemicals Consumable stores etc.	—	205.10	—	270.48
	25783.11	388.75	29,404.76	473.03

c) Percentage of Material (Laminates) Consumed:

Raw Materials	2005-2006		2004-2005	
	%age	Value (Rs. Lacs)	%age	Value (Rs. Lacs)
i) Imported	92.18	169.28	97.38	197.23
ii) Indigenous	7.82	14.37	2.62	5.32
	100.00	183.65	100.00	202.55

d) CIF Value of Imports:

	2005-2006 (Rs. Lacs)	2004-2005 (Rs. Lacs)
i) Raw Materials	164.08	192.02
ii) Stores, spares & chemicals	98.82	125.45
iii) Plant & Machinery	4.20	0.13

e) Expenditure in Foreign Currency:

Travelling **Rs. NIL**
(Previous year Rs.Nil)

Others **Rs. NIL**
(Previous year Rs.Nil)

f) FOB Value of Export

Rs.67,42,463/-
(Previous year 1,02,58,987/-)

g) Sales:

	2005-2006		2004-2005	
	Qty in. Sq. Mtr	Value (Rs.lacs)	Qty in. Sq.Mtr	Value (Rs.lacs)
Printed Circuit Board	19878.01	847.78	21171.50	1022.42

h) Stock particulars of finished goods:

Unit	Opening Stock		Closing Stock	
	Qty.	Value in (Rs. Lacs)	Qty.	Value in (Rs.lacs)
Square Mtrs.	1364.05	48.90	1668.83	59.73

16. Auditors' Remuneration:

	2005-2006 (Rs.)	2004-2005 (Rs.)
- Audit Fee	33060/-	33060/-
- Other Expenses	—	2100/-

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

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 2006 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/-
SUNIL SINGH
Partner

Sd/-
R. S. TIWARI
Company Secretary

Sd/-
A. P. MATHUR
VEENU PASRICHA
Directors

Place : New Delhi
Date : 30/06/2006

V. S. BHAGAT
Chairman & Managing Director

CASH FLOW STATEMENT FOR THE YEAR 31ST MARCH, 2006

	Year Ending 31st, March, 2006 Rs. in Lacs	Year Ending 31st, March, 2005 Rs. in Lacs
A CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS	(15.07)	23.70
ADJUSTMENTS FOR :		
Depreciation	72.97	72.75
Depreciation for earlier year		
Interest on Term Loan	74.06	85.38
Liabilities written off	NIL	NIL
	147.03	158.13
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	131.96	181.83
ADJUSTMENT FOR :		
Increase / Decrease in Trade and other receivables	40.96	(46.44)
Increase / Decrease in Inventories	(28.94)	(12.74)
Increase / Decrease in Trade payables & other liabilities	26.18	(23.13)
	38.20	(82.31)
CASH GENERATED FROM OPERATIONS	170.16	99.52
Less : Profit on sale of assets	—	—
Less : Interest paid	(74.06)	(85.38)
Less: Fringe Benefit Tax	(0.96)	—
	(75.02)	(85.38)
Net cash from operating activities...(a)	95.14	14.14
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase off fixed assets/assets/capital work in progress	(7.79)	(5.37)
sale of fixed assets	—	—
Purchase of investments	NIL	NIL
interest/Dividends received	NIL	NIL
Net cash uses in investing activity...(b)	(7.79)	(5.37)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in long term borrowings	—	—
Increase/Decrease in working capital loans & others	21.23	(18.00)
increase/Decrease in unsecured loans	(144.17)	(1.08)
Net cash received in financing activities...(c)	(122.94)	(19.08)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(35.59)	(10.31)
Opening cash & cash equivalents	44.49	54.80
Closing cash & cash equivalents	8.90	44.49

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

for and on behalf of the Board of Directors

Sd/-
SUNIL SINGH
 Partner

Sd/-
R. S. TIWARI
 Company Secretary

Sd/-
A. P. MATHUR
VEENU PASRICHA
 Directors

Place : New Delhi
 Date : 30/06/2006

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 2006		

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	117762	Total Assets	117762
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Source of Funds

Paid-up Capital	60581	Reserves & Surplus	0
Secured Loans	6683	Unsecured Loans	50498

Application of Funds

Net Fixed Assets	40134	Investments	0
Net Current Assets	48280	Misc Expenditure	5123

Loss	24225		
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IV Performance of Company (Amount in Rupees Thousands)

Turnover	85431	Total Expenditure	86937
Profit/(Loss) before Tax	(1506)	Profit/(Loss) After Tax	(1603)
Earning per Share in Rs.		Dividend Rate %	

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

Item Code No.	853466
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(ITC Code)

Product Description	PRINTED CIRCUIT BOARDS PFOFESSIONAL GRADE
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As per our report of even date attached
For VINAY AGGARWAL & ASSOCIATES
Chartered Accountants

for and on behalf of the Board of Directors

Sd/-
SUNIL SINGH
Partner

Sd/-
R. S. TIWARI
Company Secretary

Sd/-
A. P. MATHUR
VEENU PASRICHA
Directors

Place : New Delhi
Date : 30/06/2006

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 20th Annual General Meeting of the Company to be held on Wednesday the 20th September, 2006 at 2.30 P.M. or at any adjournment thereof.

Signed this day of 2006.

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.

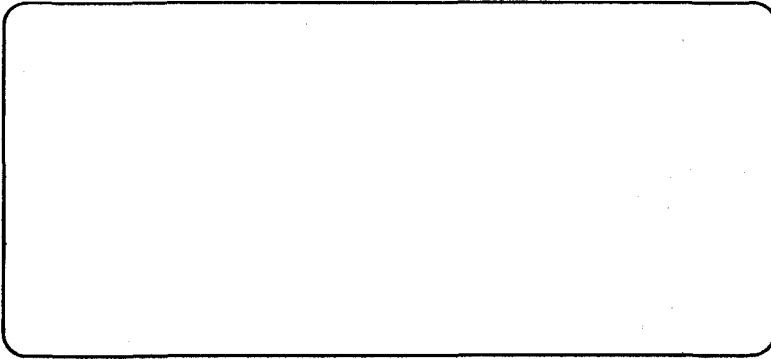
Name and Address of the Member	Folio No.
	Client ID No.
	DP ID No.
	No. of Shares Held

I hereby record my presence at the 20th Annual General Meeting of the Company at the Registered Office of the Company, on Wednesday the 20th September, 2006 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, 9810159012