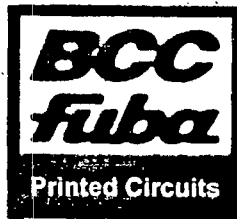


**22<sup>nd</sup>**  
**Annual Report**  
**2007-08**



**BCC FUBA INDIA LIMITED**

# BCC FUBA INDIA LIMITED

## 22nd Annual Report

### BOARD OF DIRECTORS

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

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### AUDITORS

#### VINAY AGGARWAL & ASSOCIATES

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

### INTERNAL AUDITORS

#### S.MALHOTRA & CO.

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

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### REGD. OFFICE & WORKS

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

### HEAD OFFICE

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

### SHARE TRANSFER AGENT

: Intime Spectrum Registry Ltd.  
A-40, 2nd Floor, Naraina Industrial Area, Phase-II,  
Near Batra Banquet Hall, New Delhi - 110028  
Phone: 41410592-94

### BANKER

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

## NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the members of M/s. BCC FUBA INDIA LIMITED will be held on Tuesday the 30th day of September, 2008 at 2.00 P.M. at the Registered office of the Company at 4Km., Swarghat Road, Nalagarh, Distt. Solan (H.P) to transact the following business;

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2008 and the Profit and Loss Account for the year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. A.P. Mathur who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit to pass with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT M/s. Vinay Aggarwal & Associates, Chartered Accountants, the retiring auditors be and are hereby appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration of Rs. 30,000/- for the statutory audit of accounts for the year 2008-2009.

**By order of the Board of Directors**

Place : New Delhi  
Date : 31.05.2008

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

### NOTES:

1. Explanatory statements for the item no. 3 as required under section 173(2) of the Companies Act, 1956 is annexed.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy so appointed need not be a member of the company.
3. The proxy form duly executed and properly stamped should reach the Company at its Registered office at least 48 hrs. before the time of meeting.
4. The Register of members and the share transfer books of the company will remain closed from 22.09.2008 to 30.09.2008 (both days inclusive).
5. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company atleast 7 (seven) days in advance, so as to enable the Company to keep the information ready.
6. Members are requested to bring their copies of the Annual Report to the Meeting because copy of the same will not distributed at the meeting.
7. Members are requested to inform immediately any change in their address to the Company's share transfer Agents.
8. All communications relating to shares are to be addressed to the Company's Share Transfer Agents M/s. Intime Spectrum Registry Limited of A-40, 2nd Floor,,Naraina Industrial Area, Phase-II, New Delhi-110028.

**ANNEXURE TO THE NOTICE**

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

In terms of Articles 67(2) of the Articles of Association of the Company the appointment of Auditors is to be made by Special Resolution.

The member may consider and pass necessary resolution.

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

**By order of the Board of Directors**

Place : New Delhi

Date : 31.05.2008

Sd/-

**(V. S. Bhagat)**

Chairman and Managing Director

**DIRECTORS' REPORT**

Dear Members,

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

**FINANCIAL RESULTS**

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

**DIVIDEND**

Company has suffered loss and therefore no dividend was declared.

**OPERATIONAL HIGHLIGHT**

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

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

**DIRECTORS**

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

**CAPITAL STRUCTURE:**

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

**AUDITORS**

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

**FIXED DEPOSIT:**

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

## **LISTING OF SECURITIES**

At present the securities of the Company are listed with The Stock Exchange Mumbai. The company had proposed to delist the equity shares from all the Stock Exchanges except the Stock Exchange Mumbai and the proposal for delisting is under consideration before the Delhi Stock Exchange Association Limited, The Stock Exchange Ahmedabad, Ludhiana Stock Exchange Association Limited and the Calcutta Stock exchange Association limited and the approval for delisting of the shares is awaited.

## **DEPOSITORY SYSTEM**

As per the SEBI Guidelines M/s. Intime Spectrum Shares Registry Limited having office at A-40, 2nd Floor, Naraina Industrial Area, Phase-II, New Delhi-110028 have been associated with us as share transfer agent. All the members are requested to contact them for any kinds of shares related matters.

## **THE CORPORATE GOVERNANCE CODE**

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

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

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

## **OBSERVATION OF THE AUDITORS IN THE ANNUAL ACCOUNT**

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

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

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

The company has followed the said accounting standards and has been applying them consistently and has made judgments and estimates that are reasonable, prudent and are in the interest of the Company's business, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008 and of the profit/loss of the Company, for the said period.

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

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

**CEO CERTIFICATION:**

Chairman and Managing Director and Manager Finance & Accounts have certified to the Board that:

1. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - (a) These statements do not contain any materially untrue statement or omit any material fact contain statements that might be misleading.
  - (b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take rectify these deficiencies.
4. We have brought in notice to the auditors and the Audit Committee all the material transaction which have substantial effect on the financial health of the company

**INDUSTRIAL RELATIONS**

The relations with labour remained cordial during the year.

**ENERGY CONSERVATION/ TECHNOLOGY ABSORPTION/ FOREIGN EXCHANGE EARNING AND OUTGO**

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

**PARTICULARS OF EMPLOYEES**

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

**ACKNOWLEDGEMENT:**

Yours Directors take the opportunity to offer thanks to the State Bank of Patiala for their valuable assistance.

Yours Directors also wish to place on record their deep sense of appreciation for services of the executives, staff and workers of the company for smooth operations of the Company.

**By order of the Board of Directors**

Place : New Delhi  
Date : 31.05.2008

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

**ANNEXURE-I**

Information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 for the Period ended 31st March 2008.

**CONSERVATION OF ENERGY**

Your Company continues to give high priority to conservation of energy on an on-going basis. The required information in the prescribed 'Form A' are given hereunder.

**FORM 'A'****A. POWER AND FUEL CONSUMPTION****1. Electricity**

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

**CONSUMPTION PER UNIT OF PRODUCTION**

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

**RESEARCH AND DEVELOPMENT (R&D)**

Research and development continues to be given high priority. A number of developments have been incorporated in the products due to these efforts.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

The technology imported from M/s Fuba Printed Circuits GMBH (Formerly Fuba Hans Kolbe & Co.) the technical collaborator of your Company, has been fully absorbed and we are able to manufacture the products without any foreign technical assistance. The company has developed capacity to manufacture the multilayer boards and double-sided boards with SMT pads.



**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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

**ANNEXURE-II**

Particulars of Employees under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31 March 2008.

Name of the Employee	:	Mr. V.S. Bhagat
Age	:	67 Years
Designation/ Nature of Duties	:	Chairman & Managing Director/looking After the Company's affairs
Gross remuneration	:	16,44,000
Qualification	:	B.A. (Hons) in Economics
Experience	:	45 years
Date of Commencement of Employment	:	01-04-90
Previous Employment/ Position Held	:	Bhagat Construction Co. Pvt. Ltd. Director

**NOTES**

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

**CORPORATE GOVERNANCE**

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

BCC Fuba strives for excellence in corporate governance practices, which the Company recognizes is fundamental to securing the trust of investors and key stakeholders. BCC Fuba's management, together with our Board of Directors, continually evaluates processes and implements procedures designed to maintain strong governance and operations standards. In doing so, we strive to manage the Company according to the highest principles of responsibility and integrity, and align the interests of management and the Board with those of our shareholders. The Company is in full compliance with the requirements under Clause 49 of the Listing Agreement with the Stock Exchanges.

**2. Board of Directors**

The Board of Directors consists of 6 Directors.

Composition and category of Director is as follows:

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

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

Director	No. of Board meetings attended	Attendance at previous AGM on 28.09.2007	No. of outside Director -ship held	No. of member-ship/Chair-manship in Committees	Executive/Non-executive/ Independent
1. Mr. V.S.Bhagat	4	Present	5	1	Executive
2. Mrs. Renu Bhagat	3	Present	3	1	Non executive
3. Mr. A.P.Mathur	4	Present	1	3	Non-executive and independent
4. Mr. R.M. Mehta	4	Absent	0	2	Non-executive and independent
5. Mr. Veenu Pasricha	3	Present	3	2	Non-executive and independent
6. Mr. Walter Drach	0	Absent	0	0	Non-executive and independent

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

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

- 31st day of May 2007
- 31st day of July 2007
- 31st day of October 2007
- 31st day of January 2008

**Code of Conduct for Board Members & Senior Management Team:**

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

All Board Members and Senior Management Team have affirmed compliance of code of conduct as on 31.03.2008 and a declaration to that effect signed by Chairman & Managing Director is attached and forms part of this report.

**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. 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 five 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	5
2.	Sh. R.M. Mehta	Independent Director	5
3.	Sh. Veenu Pasricha	Independent Director	5

**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/-

Besides he is also entitled to Company's contribution to P.F. Fund, Superannuation 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 committee thereof.

The company pays sitting fees to all the non-executive directors at the rate of Rs. 1000/- for each meeting of the Board of Director or committee. The fees paid for the year ended 31st March 2008 to the Directors are as follows:

Sl. No.	Name of the Directors	Amount in Rs.
1.	Shri A.P.Mathur	14000.00
2.	Shri Veenu Pasricha	14000.00
3.	Shri R.M. Mehta	10000.00
4.	Ms.Renu Bhagat	12000.00

**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. The committee observes and review the shareholders grievances and ensures to provide prompt and satisfactory services to the shareholders.

During the year, 14 complaints were received from the shareholders and all of them were resolved to the full satisfaction of the shareholders. No investors complaints was pending as on 31.03.2008.

M/s. Intime Spectrum Registry Ltd. having office at A-40, 2nd Floor, Naraina Industrial Area, Phase-II, 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
2004-05	4 Km. Swarghat Road, Nalagarh-174101, Distt. Solan, Himachal Pradesh	30.09.2005	Friday	2.30 P.M
2005-06	4 Km. Swarghat Road, Nalagarh-174101, Distt. Solan, Himachal Pradesh.	20.09.2006	Wednesday	2.30 P.M
2006-07	4 Km. Swarghat Road, Nalagarh-174101, Distt. Solan, Himachal Pradesh	28.09.2007	Friday	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, 2008 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 Financial Express, and vernacular Divya Himachal/ Himachal Times Hindi edition. The company have its web site. Official news releases and notices etc. are sent to the Stock Exchange at Mumbai where shares of the company are listed.

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

Date and time : 30th September 2008 at 2.00 P.M.  
Venue : 4 Km. Swarghat Road, Nalagarh-174101  
Distt. Solan, Himachal Pradesh

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

Annual General Meeting : 30.09.2008  
Results for the quarter ending 30.06.2008 : Last week of July, 08  
Results for the quarter ending 30.09.2008 : Last week of Oct, 08  
Results for the quarter ending 31.12.2008 : Last week of Jan, 09  
Results for the quarter ending 31.03.2009 : Last week of May 09

(c) Book Closure Date : 22.09.2008 to 30.09.2008

(d) Listing of Equity Shares : Bombay Stock Exchange Ltd.

(e) **Stock Market Data :**

Month	Bombay Stock Exchange (BSE)	
	Month's High Price	Month's Low Price
April 2007	25.05	15.00
May 2007	23.25	15.50
June 2007	22.45	14.25
July 2007	29.40	17.20
Aug. 2007	41.15	25.05
Sept. 2007	38.65	28.15
Oct. 2007	49.80	28.20
Nov. 2007	69.15	46.85
Dec. 2007	64.85	48.10
Jan. 2008	72.50	33.95
Feb. 2008	35.00	24.00
March 2008	24.50	15.05

- (f) **Registrar & Share Transfer Agent and Communication regarding all kinds of Share related matters** : **Intime Spectrum Registry Ltd.**  
A-40, 2nd Floor, Naraina Industrial Area, Phase-II,  
New Delhi-110028

(g) **Shareholding pattern as on 31.03.2008**

Sl. No.	Category	No. of shares	Percentage
1	Promoters	2137074	35.27
2	Indian Financial Institutions, Banks, Mutual Funds	89523	1.48
3	Foreign Institutional Investors/ NRIs	—	—
4	Others	3832453	63.25
	<b>Total</b>	<b>6059050</b>	<b>100.00</b>

(h) **Distribution on shareholding as on 31.03.2008**

No. of share held	No. of Shareholders	% of shareholders	No. of Equity shares	% of shareholding
1 to 500	12445	92.301	1974489	32.588
501 to 1000	607	4.502	495108	8.171
1001 to 2000	235	1.743	368602	6.083
2001 to 3000	78	0.579	203440	3.358
3001 to 4000	13	0.096	46153	0.762
4001 to 5000	33	0.245	156163	2.577
5001 to 10000	45	0.334	320308	5.286
10001 and above	27	0.200	2494787	41.175
<b>Total</b>	<b>13483</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 31.05.2008.

**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 31.03.2008.

Place : New Delhi  
Date : 31.05.2008

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**

We have reviewed the implementation of Corporate Governance by BCC FUBA INDIA LIMITED (the company) during the year ended 31.03.2008, 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.

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.

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.

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.

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: 31.05.2008

Sd/-  
**(Vinay Aggarwal)**  
Partner  
M. No. 082045

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Performance:

For the financial year ended 31 March 2008, the Company recorded a turnover of Rs.791.70 lacs and loss for the year of Rs.46.64 Lacs as compared to turnover of Rs.1108.58 lacs and profit of Rs. 38.78 Lacs for the year ended 31 December 2007. Finally, the decrease in turnover from PCB was mainly due to the temporary decline in demand and also the selection of better margin customers.

### Industrial Structure and Development:

Printed circuit boards (PCB), are one of the fundamental components found in most electronic products such as mobile phones, digital cameras, computer products, Electrical Equipments like UPS, Inverter and others consumer electronics products. To accommodate miniaturisation and increasing number of components of electronic devices, PCB require finer circuitry and more layer count. The industry continued to grow but competition has also intensified and competitors have expanded their production capacity. More and more PCB facilities are being established in China. PCB solution providers in China are becoming more competitive in the world.

### Opportunities, threats, Risk and Concerns:

The company is principally engaged in the manufacturing and sale of Printed Circuit Board (PCB). Due to the strong overall demand from downstream electronic consumer products, such as inverter, multimedia products, mobile phones the indigenous market for P.C.Bs is expected to boom over the next couple of years in consonance with worldwide trends. Hence there should be ample demand for P.C.Bs. But as installed capacity is increasing faster than demand the inevitable corollary is a fall in prices. The situation is made worse by the fact that cost of inputs is rising sharply globally in response to inadequate capacities and spiraling demand.

This fast-moving industry requires large financial resources to invest in new technology for manufacturing equipment and training. Companies must develop improved manufacturing processes and materials to reap the benefits of first-mover advantages.

Thus great opportunities exist for expanding capacity and production. However one can not expect a proportionate increase in profit owing to the cost-price squeeze.

### Outlook:

We offer and develop innovative interconnection solutions for the electronics industry in close cooperation with its customers. We hold a strong and recognised position as a manufacturer of electronics, industrial, and tele- and data communications applications bodes and we aim to further strengthen our position as a manufacturer of mobile terminal equipment components. We are planning to concentrate on these rapidly growing segments and working on further increasing its market share in them.

We strive to offer solutions to our customers that enable increased flexibility in their own product development. Our belief is that this advantage will bear increasing significance for our customers as end product lifecycles continue to shorten.

### Internal Control Systems and 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 those transactions 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 organisation 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 predictions" 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, 2008 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, 2008, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31-03-2008 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, 2008 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, 2008 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**

PLACE : New Delhi  
DATED : 31.05.2008

Sd/-  
**(Vinay Aggarwal)**  
PARTNER  
M.No. 082045



**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. 396.34 lakhs and the year end balance of loans taken from such parties was RS. 385.86 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 31.03.2008 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>101758/-</i>	<i>(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**

PLACE : New Delhi  
DATED : 31.05.2008

Sd/-  
**(Vinay Aggarwal)**  
PARTNER  
M.No. 082045

**BCC FUBA INDIA LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2008**

	SCHEDULE No.	AS AT 31/3/2008 Amount (Rs.)	AS AT 31/3/2007 Amount (Rs.)
<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	6,307,848	6,774,569
Unsecured Loans	IV	38,586,349	38,607,146
<b>TOTAL</b>		<b>105,475,697</b>	<b>105,963,215</b>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS</b>			
<b>Gross Block</b>	V	143,698,172	139,642,430
Less : Depreciation		113,005,589	106,229,114
<b>Net Block</b>		<b>30,692,583</b>	<b>33,413,316</b>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
- Inventories	VI	26,429,206	21,619,282
- Sundry Debtors	VII	23,035,913	31,512,132
- Cash & Bank Balances	VIII	3,082,859	2,349,158
- Loans & Advances	IX	3,413,616	4,525,380
		55,961,594	60,005,952
Less : Current Liabilities & Provisions	X	11,312,606	12,926,161
<b>Net Current Assets</b>		<b>44,648,988</b>	<b>47,079,791</b>
Miscellaneous Expenditure (To the extent not written off or Adjusted )	XI	5,123,445	5,123,445
<b>Profit &amp; Loss Account</b>		<b>25,010,681</b>	<b>20,346,663</b>
<b>TOTAL</b>		<b>105,475,697</b>	<b>105,963,215</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  
M.No. 082045

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

Place : New Delhi  
Date : 31/05/2008

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

# BCC FUBA INDIA LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	SCHEDULE No.	AS AT 31/3/2008 Amount (Rs.)	AS AT 31/3/2007 Amount (Rs.)
<b>INCOME</b>			
Sales		79,170,353	110,858,404
Less: Excise Duty		11,143,390	15,100,789
<b>NET SALES</b>		<b>68,026,963</b>	<b>95,757,615</b>
Other Income		771,066	380,675
Increase/(Decrease) in Stock	XII	1,022,018	(230,303)
		<b>69,820,047</b>	<b>95,907,987</b>
<b>EXPENDITURE</b>			
Material Consumed	XIII	38,016,600	51,157,652
Manufacturing Expenses	XIV	8,954,274	8,921,854
Net Excise Duty on Stock		268,774	140,470
Employees Remuneration & Benefits	XV	10,183,500	10,016,048
Administrative Expenses	XVI	3,199,400	6,073,542
Selling Expenses	XVII	779,665	922,910
Financial Charges	XVIII	5,412,069	6,789,133
Depreciation	XIX	7,477,404	7,360,621
		<b>74,291,686</b>	<b>91,382,230</b>
<b>Net Profit/(Loss) for the year</b>		<b>(4,471,639)</b>	<b>4,525,757</b>
Add/Less: Expenses related to previous year		116,306	91,395
<b>Net Profit/(Loss) before Tax</b>		<b>(4,587,945)</b>	<b>4,434,362</b>
<b>Tax Expenses</b>			
- Current Tax		—	467,244
- Fringe Benefi Tax		76,073	88,387
<b>Net Profit/(Loss) after Tax</b>		<b>(4,664,018)</b>	<b>3,878,731</b>
Add : Brought Forward Losses		(20,346,663)	(24,225,394)
		<b>(25,010,681)</b>	<b>(20,346,663)</b>
Balance Carried over to Balance Sheet		<b>(25,010,681)</b>	<b>(20,346,663)</b>
Basic / Diluted EPS		(0.77)	0.64
<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  
M.No. 082045

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

Place : New Delhi  
Date : 31/05/2008

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

# BCC FUBA INDIA LIMITED

## SCHEDULES TO BALANCE SHEET

	AS AT 31-Mar-08 AMOUNT (RS.)	AS AT 31-Mar-07 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	60,572,500	60,572,500
Add: Forfeited Shares (1800 Equity Shares paid up Rs.5 per Share)	9,000	9,000
	<u>60,581,500</u>	<u>60,581,500</u>
<b>SCHEDULE-II</b>		
<b>RESERVES &amp; SURPLUS</b>		
	<u>—</u>	<u>—</u>
<b>SCHEDULE-III</b>		
<b>SECURED LOANS :</b>		
Working Capital Loan from Banks	6,307,848	6,540,928
Vehicle Loan	—	233,641
	<u>6,307,848</u>	<u>6,774,569</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	21,471,837	22,428,292
2 From the companies in which Directors are interested:-		
(a) Bhagat construction Co.Pvt.Ltd.	642,279	642,279
(b) Maya Enterprises Ltd.	10,070,526	9,453,752
(c) Samrat Video Vision Pvt.Ltd.	6,401,707	6,082,823
	<u>38,586,349</u>	<u>38,607,146</u>

**SCHEDULE-V  
FIXED ASSETS**

(AMOUNT IN RS.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	VALUE AS AT 01/04/07	ADDITION DURING THE YEAR	SALE/ADJUST- MENT DURING THE YEAR	AS AT 31.03.08	UPTO 31.03.07	FOR THE PERIOD	ADJUST/ DEDU- CTIONS	UPTO 31.03.08	AS AT 31.03.08	AS AT 31.03.07
LAND (FREE HOLD)	651,061	—	—	651,061	—	—	—	—	651,061	651,061
BUILDING	8,648,928	—	—	8,648,928	4,235,998	275,132	—	4,511,129	4,137,798	4,412,930
PLANT & MACHINERY	121,767,460	4,794,000	—	126,561,460	96,349,144	6,697,705	—	103,046,849	23,514,608	25,418,314
ELECTRICAL WORKS	3,071,378	—	—	3,071,378	2,273,761	146,291	—	2,420,051	651,326	797,617
FURNITURE & FIXTURES	986,448	—	—	986,448	914,046	62,613	—	976,659	9,789	72,402
OFFICE EQUIPMENT	1,414,158	—	—	1,414,158	693,089	66,582	—	759,671	654,487	721,070
COMPUTER	85,800	15,950	—	101,750	9,393	15,451	—	24,844	76,906	76,408
STORAGE & OTHER EQUIPMENT	180,917	—	—	180,917	99,003	8,617	—	107,620	73,299	81,914
FIRE FIGHTING EQUIPMENT	18,774	—	—	18,774	13,940	894	—	14,834	3,940	4,834
VEHICLES	2,817,506	—	754,208	2,063,298	1,640,738	204,119	700,929	1,143,928	919,367	1,176,767
<b>TOTAL</b>	<b>139,642,430</b>	<b>4,809,950</b>	<b>734,577</b>	<b>143,698,172</b>	<b>106,229,112</b>	<b>7,477,404</b>	<b>700,929</b>	<b>113,005,589</b>	<b>30,692,583</b>	<b>33,413,316</b>
PREVIOUS YEAR	139,002,355	640,075	—	139,642,430	98,868,493	7,360,621	—	106,229,114	33,413,316	

**BCC FUBA INDIA LIMITED**

	AS AT 31-Mar-08 AMOUNT (RS.)	AS AT 31-Mar-07 AMOUNT (RS.)
<b>SCHEDULE-VI</b>		
<b>INVENTORIES</b>		
(As certified and valued by the Management on which Auditors have relied)		
Raw material	13,381,935	9,808,394
Stores & Spares	1,962,158	1,747,794
Work-in-progress	3,417,336	5,132,684
Finished Goods	7,667,777	4,930,410
	<u>26,429,206</u>	<u>21,619,282</u>
<b>SCHEDULE-VII</b>		
<b>SUNDRY DEBTORS</b>		
(Unconfirmed,unsecured)		
Debts outstanding for a period exceeding six months	1,739,177	2,846,981
	<u>1,739,177</u>	<u>2,846,981</u>
Other Debts	21,296,736	28,665,151
	<u>23,035,913</u>	<u>31,512,132</u>
<b>SCHEDULE-VIII</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in hand	35,953	35,177
<b>Balance with Scheduled Banks :</b>		
- In Current Accounts	428,881	44,758
- In Term Deposits Accounts	2,494,766	2,144,849
- Interest Accured but not due on FDR	82,259	83,374
- In Share Application Money Accounts (subject to reconciliation & confirmation)	41,000	41,000
	<u>3,082,859</u>	<u>2,349,158</u>

# BCC FUBA INDIA LIMITED

	AS AT 31-Mar-08 AMOUNT (RS.)	AS AT 31-Mar-07 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	2,135,979	3,369,113
Staff Advances	178,339	83,469
Security Deposits (inclusive of interest accrued and due on fdr with excise dept.)	1,099,298	1,072,798
	<b>3,413,616</b>	<b>4,525,380</b>

## SCHEDULE-X

### CURRENT LIABILITIES & PROVISIONS

#### A. CURRENT LIABILITIES

Sundry Creditors

- Dues to small scale industrial undertaking	—	187,278
- Dues to other than small scale industrial undertaking	5,298,355	6,386,091
Expenses Payable	1,576,444	1,959,848
Advance from Customers	65,790	55,734
Share Application Money refundable (Subject to reconciliation with the banks)	41,000	41,000

**Total A**

**6,981,589**

**8,629,951**

#### B. PROVISIONS

Provision for Gratuity	2,623,948	2,537,187
Provision for Bonus	312,137	190,426
Provision for Leave encashment	352,513	219,097
Provision for Excise Duty	966,346	697,571
Provision for Fringe Benefit Tax	76,073	184,685
Provision for current tax	—	467,244

**Total B**

**4,331,017**

**4,296,210**

**Total A+B**

**11,312,606**

**12,926,161**

## SCHEDULE-XI

### MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Foreign Training & 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
	<b>5,123,445</b>	<b>5,123,445</b>



# BCC FUBA INDIA LIMITED

	AS AT 31-Mar-08 AMOUNT (RS.)	AS AT 31-Mar-07 AMOUNT (RS.)
<b>SCHEDULE-XII</b>		
<b>INCREASE IN STOCKS</b>		
<b>CLOSING STOCKS</b>		
Work in Progress	3,417,336	5,132,684
Finished Goods	7,667,777	4,930,410
<b>Total A</b>	<b>11,085,113</b>	<b>10,063,094</b>
Less:		
<b>OPENING STOCKS</b>		
Work in Progress	5,132,685	4,320,300
Finished Goods	4,930,410	5,973,097
<b>Total B</b>	<b>10,063,095</b>	<b>10,293,397</b>
<b>Increase/(Decrease) in stock (A-B)</b>	<b>1,022,018</b>	<b>(230,303)</b>
 <b>SCHEDULE-XIII</b>		
<b>MATERIAL CONSUMED</b>		
<b>Oening stock</b>		
Raw Material	9,808,394	11,975,397
Stores & Spares	1,747,794	1,842,828
<b>ADD:Purchases</b>		
Raw Material	40,504,913	47,303,318
Stores & Spares	1,299,592	1,592,297
	<b>53,360,693</b>	<b>62,713,840</b>
<b>LESS:Closing Stock</b>		
Raw Material	13,381,935	9,808,394
Stores & Spares	1,962,158	1,747,794
<b>Consumed during the year</b>	<b>38,016,600</b>	<b>51,157,652</b>
 <b>SCHEDULE- XIV</b>		
<b>MANUFACTURING EXPENSES</b>		
Power & Fuel	6,222,489	6,595,400
Testing charges	7,310	10,400
Freight & Cartage	356,484	319,245
<b>Repair &amp; Maintenance</b>		
Plant & machinary	1,159,148	928,471
Buildings	1,012,101	739,535
Others	173,445	199,476
Job charges	23,297	129,327
	<b>8,954,274</b>	<b>8,921,854</b>

**BCC FUBA INDIA LIMITED**

	AS AT 31-Mar-08 AMOUNT (RS.)	AS AT 31-Mar-07 AMOUNT (RS.)
<b>SCHEDULE- XV</b>		
<b>EMPLOYEES REMUNERATION &amp; BENEFITS</b>		
Salary & Allowances	8,611,995	8,641,757
Contribution to Provident & other funds	955,710	930,488
Staff welfare	46,767	207,109
Tea & Food Expenses (FBT exempt)	151,242	—
Bonus	267,786	166,694
Retrenchment Expenses	150,000	70,000
	<u>10,183,500</u>	<u>10,016,048</u>
<b>SCHEDULE- XVI</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
Printing & Stationery	181,323	151,628
Electricity & water charges	77,041	85,939
Travelling & Conveyance expenses	359,681	292,989
Vehicle Running & Maintenance	292,597	265,205
Insurance	83,751	90,953
Filing & other Fees	45,086	62,518
Office maintenance	137,153	76,097
Postage Telephone & Telex	271,385	252,032
Legal & Professional Charges	629,326	671,235
Books & Periodicals	13,650	12,143
Payment to Auditors		
Audit fees :	33708	33708
Directors Meeting Expenses	46,000	47,000
Bad Debts & Debit Balances w/off	35,562	3,192,441
Diwali Expenses	55,810	57,268
Member ship Fees	23,612	34,893
Security Charges	530,445	467,923
Subscription	23,652	25,229
Computer Software Development Exps	8,500	3,100
General Expenses	6,735	10,480
Pollution Control Expenses	75,685	92,055
Publishing Charges	94,900	78,542
Share Transfer Expenses	66,661	53,267
Short & Excess Recovery	8,930	2,677
Staff Recruitment	21,790	14,220
Technical evaluation & Survey charges	39,742	—
Website Development Expenses	24,895	—
Loss on sale of vehicle	11,780	—
	<u>3,199,400</u>	<u>6,073,542</u>

**BCC FUBA INDIA LIMITED**

	<b>AS AT 31-Mar-08 AMOUNT (RS.)</b>	<b>AS AT 31-Mar-07 AMOUNT (RS.)</b>
<b>SCHEDULE- XVII</b>		
<b>SELLING EXPENSES</b>		
Business Promotion	18,587	45,928
Advertisement & Publicity	12,660	4,600
Packing Materials	256,754	271,744
Freight & Cartage Outward	390,543	589,822
Commission,rebate & discount on Sales	85,639	76,478
Sales Tax Expenses	—	655
Sample	8,928	699
Insurance On Export	2,554	9,341
Late delivery	4,000	121
	<u>779,665</u>	<u>999,388</u>
<b>SCHEDULE- XVIII</b>		
<b>FINANCIAL CHARGES</b>		
Bank Charges	679,667	522,762
Interest on :		
Working Capital Loans	724,505	599,048
Unsecured Loans	3,973,476	5,633,372
Car Loan	13,575	33,607
Others	20,846	344
	<u>5,412,069</u>	<u>6,789,133</u>
<b>SCHEDULE- XIX</b>		
<b>DEPRECIATION AND WRITE OFFS :</b>		
Depreciation	7,477,404	7,360,621
	<u>7,477,404</u>	<u>7,360,621</u>

**SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH 2008****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**

Net Sales are exclusive 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 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.85,000/- 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. 47.07 Lacs (Previous year Rs.62.17 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. However the department has filled an appeal with hon'ble High Court against the decision of Income Tax Appellate Tribunal. The case is yet to be pending for hearing.
- iii) A suit has been filled by M/s Thakur Associates against the company in the court of Civil Judge Senior Division Nalagarh. Distt Solan (H.P) for payment of Rs. 2,31,191/- for freight & cartage which has not been recognized by the company. The case is still pending with the court and company has not provided for the same.

## 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.

## BCC FUBA INDIA LIMITED

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. 4,00,519/- Credit in this account for the year Rs. 10,17,293/-
5	Outstanding at the end of the year	10,070,526- CR.

1	Name of the Related Party	<b>MR. V.S.BHAGAT</b>
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. 48,61,121/- Credit in this account for the year Rs. 39,04,666/-
5	Outstanding at the end of the year	2,14,71,837/- 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
Lease Rent/ House Rent Allowance	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 31.03.2008 (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.

## BCC FUBA INDIA LIMITED

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.2,84,489.47 from a concern M/s Powerlink Technology. The matter has been decided in favour of company and the party has given post dated cheques to the company. Rupees 1,20,000/- has been recovered during the year and Rupees 1,64,489, pending as on date.
10. Company has to recover a sum of Rs.2,85,315/- from a concern M/s Kirti Fincap Ltd. Unit M/s HMD Technologies. The matter is pending before Patiala House Court for adjudication. The management is hopeful for recovery of the pending amount.
11. As per the information available, There is Nothing is due to small scale industries for more than 30 days as on 31/03/2008.
12. The personal accounts of parties are subject to confirmation and the management reasonably mentioned.
13. 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)	17216.22 (23500.74)

(Figures in brackets are for Previous year)

**b) Raw Materials, Stores & Spares Consumed:**

	2007-2008		2006-2007	
	Qty in. Sq. Mtr	Value (Rs.lacs)	Qty in. Sq.Mtr	Value (Rs.lacs)
i). Laminated Sheets	21209.21.	166.80	34750.10	275.03
ii) Others-Chemicals Consumable stores etc.	—	213.37	—	236.55
	<b>21209.21</b>	<b>380.17</b>	<b>34750.10</b>	<b>511.58</b>

**c) Percentage of Material (Laminates) Consumed:**

Raw Materials	2007-2008		2006-2007	
	%age	Value (Rs. Lacs)	%age	Value (Rs. Lacs)
i) Imported	96.36	160.73	92.65	257.61
ii) Indigenous	3.64	6.07	7.35	17.42
	<b>100.00</b>	<b>166.80</b>	<b>100.00</b>	<b>275.03</b>

# BCC FUBA INDIA LIMITED

**d) CIF Value of Imports:**

	2007-2008 (Rs. Lacs)	2006-2007 (Rs. Lacs)
i) Raw Materials	213.27	219.66
ii) Stores, spares & chemicals	55.29	87.73
iii) Plant & Machinery	24.51	—

**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. 17,89,201/-**

(Previous year Rs. 25,29,426/-)

**g) Sales:**

	2007-2008		2006-2007	
	Qty in. Sq. Mtr	Value (Rs.lacs)	Qty in. Sq.Mtr	Value (Rs.lacs)
Printed Circuit Board	16196.04	791.70	24024.91	1108.58

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

Unit	Opening Stock		Closing Stock	
	Qty.	Value in (Rs. Lacs)	Qty.	Value in (Rs.lacs)
Square Mtrs.	1144.66	49.30	2164.84	76.78

**16. Auditors' Remuneration:**

	2007-2008 (Rs.)	2006-2007 (Rs.)
- Audit Fee	33,708/-	33,708/-

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

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

17. Schedules I to XX form an integral part of the Balance Sheet as at 31st March 2008 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  
 M.No. 082045

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

Place : New Delhi  
 Date : 31/05/2008

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



**CASH FLOW STATEMENT FOR THE YEAR 31ST MARCH, 2008**

	Year Ending 31st, March, 2008 Rs. in Lacs	Year Ending 31st, March, 2007 Rs. in Lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT (LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS	(45.88)	44.34
ADJUSTMENTS FOR :		
Depreciation	74.77	73.61
Depreciation for earlier year		
Interest on Term Loan	47.32	62.66
Loss on sale of assets	0.12	NIL
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	76.34	180.61
ADJUSTMENT FOR :		
Increase / Decrease in Trade and other receivables	95.88	13.46
Increase / Decrease in Inventories	(48.10)	24.92
Increase / Decrease in Trade payables & other liabilities	(16.14)	(11.79)
CASH GENERATED FROM OPERATIONS	107.98	207.20
Less: Income Tax Paid	—	(4.67)
Less Fringe Benefit Tax Paid	(0.76)	(0.88)
Net cash from operating activities...(a)	107.22	201.65
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase off fixed assets/assets/capital work in progress	(48.10)	(6.40)
sale of fixed assets	0.42	—
Purchase of investments	—	NIL
interest/Dividends received	—	NIL
Net cash uses in investing activity...(b)	(47.68)	(6.40)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Less : Interest paid	(47.32)	(62.66)
Increase in long term borrowings	—	—
Increase/Decrease in working capital loans & others	(4.67)	0.91
increase/Decrease in unsecured loans	(0.21)	(118.91)
Net cash received in financing activities...(c)	(52.20)	(180.66)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	7.34	14.59
Opening cash & cash equivalents	23.49	8.90
Closing cash & cash equivalents	30.83	23.49

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

for and on behalf of the Board of Directors

Sd/-  
**VINAY AGGARWAL**  
 Partner  
 M.No. 082045

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

Place : New Delhi  
 Date : 31/05/2008

**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    2008		

**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	105475	Total Assets	105475
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**Source of Funds**

Paid-up Capital	60581	Reserves & Surplus	0
Secured Loans	6308	Unsecured Loans	38586

**Application of Funds**

Net Fixed Assets	30693	Investments	0
Net Current Assets	44649	Misc Expenditure	5123

**Loss** 25010

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

Turnover	69820	Total Expenditure	74407
Profit/(Loss) before Tax	(4587)	Profit/(Loss) After Tax	(4664)
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
(ITC Code)	
Product Description	PRINTED CIRCUIT BOARDS PPROFESSIONAL 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  
 M.No. 082045

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

Place : New Delhi  
 Date : 31/05/2008

**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 22nd Annual General Meeting of the Company to be held on Tuesday the 30th day of September, 2008 at 2.00 P.M. or at any adjournment thereof.

Signed this ..... day of ..... 2008.

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.

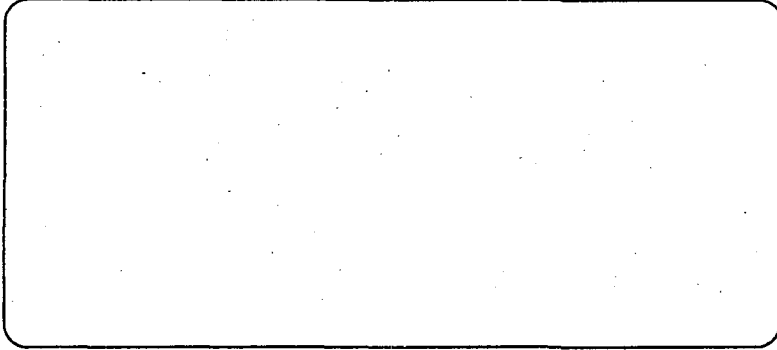
Name and Address of the Member	Folio No.
	Client ID No.
	DP ID No.
	No. of Shares Held

I hereby record my presence at the 22nd Annual General Meeting of the Company at the Registered Office of the Company, on Tuesday the 30th day of September, 2008 at 2.00 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



3

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**