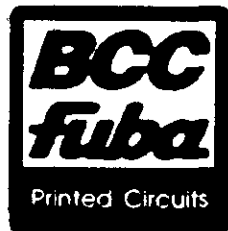


ANNUAL REPORT

1998-99



BCC FUBA INDIA LIMITED

BCC FUBA INDIA LIMITED

13th Annual Report

BOARD OF DIRECTORS

MR. D. R. BHAGAT	CHAIRMAN
MR. V. SAGAR BHAGAT	MANAGING DIRECTOR
MRS. RENU BHAGAT	DIRECTOR
MR. S.P. GUGNANI	DIRECTOR
MR. SWARANJIT SINGH	DIRECTOR
MR. S.D. KAPUR	DIRECTOR
MR. GERHARD FRHR. GROTE	DIRECTOR
DR. FRANZ BOTZL	DIRECTOR
MR. KLAUS BENZ (Alternate to Mr. Gerhard FRHR. Grote)	DIRECTOR
MR. N.S. CHOUDHARY (Special Director appointed by BIFR)	DIRECTOR

AUDITORS

VINAY AGGARWAL & ASSOCIATES

Chartered Accountants
E-67, (LGF), Greater Kailash-III,
(Masjid Moth), New Delhi-110 048

INTERNAL AUDITORS

S. MALHOTRA & CO.

Chartered Accountants
E-513, Greater Kailash-II
New Delhi-110 048

Regd. Office & Works

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

Head Office

: Samrat Cinema Complex,
Ring Road, Shakurpur
Delhi - 110 034

NOTICE

Notice is hereby given that the 13th Annual General Meeting of the members of BCC FUBA INDIA LIMITED will be held on Tuesday the 28th day of Sept., 1999 at 2.30 P.M. at the Regd. Office of the Company at 4km, Swarghat Road, Nalagarh, Distt. Solan (H.P) to transact the following business ;

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 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. S.P.Gugnani, 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 to be decided by the Managing Director in consultation with them."

SPECIAL BUSINESS

4. To consider and if thought fit to pass the following resolution as a special resolution with or without any modification(s).
"RESOLVED that pursuant to the provisions of section 269 read with Schedule XIII, section 311 and other applicable provisions, if any, of the Companies Act, 1956 sanction and consent be and is hereby accorded to the reappointment of Mr. V.S. Bhagat as Managing Director of the Company for a period of five years w.e.f. 15th July, 1999 on the remuneration, terms and conditions as contained in agreement approved by the Board of Directors of the Company in their meeting held on 28/06/99 and entered into between the Company and Mr. V.S. Bhagat, Managing Director of the Company, and as per details given in the notice of the Annual General Meeting.
Further resolved that the said remuneration shall also be paid as a minimum remuneration notwithstanding that the Company has no profit or has inadequate profits in any financial year.
Further resolved that the Board of Directors of the Company is authorised to review the terms and conditions of the reappointment of Mr. V.S. Bhagat as Managing Director, more particularly relating to the remuneration, as may be necessary in accordance with the provisions of Schedule XIII to the Companies Act, 1956 and any amendment/modification therein made by the Govt. from time to time."
5. To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution.
"RESOLVED that the vacancy caused by retirement of Mr. S D Kapur who is retiring by rotation in terms of Section 256 of Companies Act, 1956 but has not offered himself for reappointment, be not filled in."

By Order of the Board of Directors

Place : New Delhi
Date : 30.7.99

V S BHAGAT
Managing Director

NOTES

1. Explanatory Statement for item No. 3 to 5 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 member of the Company.
3. The proxy form duly executed and properly stamped should reach the Company at its Registered Office at least 48 hours before the time of the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 23-09-99 to 28-09-99 (both days inclusive).

**ANNEXURE TO THE NOTICE
(EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)****ITEM NO 3**

In terms of Article 67(2) of the Articles of Association of the Company the appointment of Auditors is made by special resolution. The members may consider and pass necessary resolution. None of the Directors is directly or indirectly interested in the proposed resolution.

ITEM NO 4

The term of Mr. V.S. Bhagat, Managing Director of the Company expired on 14th July, 1999 and he was eligible for reappointment.

Mr. V.S. Bhagat has been fully involved in the project right from the very beginning and he is also well versed on all aspects of production, marketing and administration. Keeping in view the untiring efforts, experience and ability of Mr. Bhagat and in the interest of the Company and continuity of present Management and for efficient running of the Company, the services of Mr. V.S. Bhagat are required.

Further to comply with the provisions of Section 269 of the Companies Act, 1956 and after considering the efforts made, experience and ability of Mr. V.S. Bhagat and for the efficient, progress and benefit of the Company, the Board of Directors in their meeting held on 28/06/1999 reappointed Mr. V.S. Bhagat as Managing Director of the Company for a period of 5 years w.e.f. 15th July, 1999 subject to the approval of the members in the Annual General Meeting, on the terms and conditions as contained in draft agreement as approved by the Board.

The provisions of amended Schedule XIII to the Companies Act, 1956 provides for remuneration to a managerial person, by way of salary, dearness allowance, perquisites and any other allowances (as applicable in our case) not exceeding ceiling limit of Rs.8,64,000/- per annum or Rs.72,000/- per month. The Board of Directors, after having discussions fixed the total remuneration payable to Managing Director by the way of Salary, perquisites and allowances etc. at Rs.864000/- p.a. or Rs.72000/-p.m.

The remuneration by way of salary and perquisites as follows are strictly within the limits prescribed under Part II of amended Schedule XIII.

Briefly, the main terms and conditions of the re-appointment and remuneration of Mr. V.S. Bhagat are as follows :

1. Mr. V.S. Bhagat is reappointed as the Managing Director of the Company for a period of 5 years w.e.f. 15/07/99 and as Managing director he shall be entitled to perform all the duties and exercise all the powers, do all such acts and deeds as the Company is authorised to exercise and do, subject to the supervision and control of the Board of Directors, provided that he shall not exercise any power or do any act or thing which is directed or required by any law or by the Memorandum or by the Articles of the Company or otherwise, to be exercised or done by the Company in General Meeting or by a Resolution of the Board Meeting.
2. The Managing Director shall continue to hold the said office subject to, as hereinafter provided for a term of five years with effect from 15-07-99.
3. The Managing Director shall unless provided by ill health or any other inevitable accident beyond his control throughout the term devote so much of his time and attention as will be necessary to manage the business and affairs of the Company to promote the interest thereof.
4. Notwithstanding the provisions contained in Paragraph two thereof, the Managing Director shall be entitled to resign from his office at any time upon giving to the Company at least three calendar months previous notice in writing, intimating such intention.
5. The appointment of the Managing Director shall stand terminated as soon as he ceases to be a Director of the Company.
6. The terms of remuneration of the Managing Director during the tenure of his office shall be as follows :
The total remuneration will be subject to a ceiling of Rs.8,64,000/-p.a. or Rs.72,000/- p.m. as below :

I. SALARY

Rs.58,000/- (Rupees Fifty Eight Thousand Only) per month.

II. PERQUISITES

As below but restricted to Rs. 14,000/-p.m or Rs. 1,68,000/- per year.

- i) **Housing** : Expenditure on hiring unfurnished accommodation are allowable upto Rs.13,000/- per month. If it exceeds Rs.13,000/- p.m., the excess of amount over Rs.13,000/- per month shall be recoverable from the salary of the Managing Director.

In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance @ Rs.13,000/- per month.

- ii) **Medical Reimbursement** : For self and family subject to a ceiling of Rs. 12,000/- per year.

He will also be entitled for the following perquisites which will not be included in the computation of ceiling on remuneration as stated above

- a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

- b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
c) encashment of leave at the end of the tenure.
- Car for use on Company's business and telephone at residence will be provided. They will, however, not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose, shall be billed by the company. The salary and prerequisites as above shall be paid as remuneration notwithstanding absence or inadequacy of profits. Mr. V.S. Bhagat, Managing Director of the Company so long as he functions as such, shall not be entitled to any sitting fees for attending the meeting of the Board of Directors or Committee thereof.
7. The Managing Director shall not be as long he functions as such become interested directly or through his wife or unmarried daughters in any selling agency of the Company without prior approval of the Central Government.
8. Without prejudice to the generality of the provisions of aforesaid paragraphs thereof, the Managing Director shall have the following powers on behalf of the Company:
- To make, draw, endorse, sign, accept, negotiate and give all Cheques, Bills of Lading, Drafts, Orders, Bills of Exchange, Promissory Notes and other negotiable instruments required in the business of the Company and to sign and give all receipts for money payable to the Company and for the claims and demands of the Company.
 - To purchase or otherwise require for the purpose of the Company and/or otherwise dispose of any property rights or privileges, goods, articles, plants and machinery etc.
 - To pay and/or receive payments, as the case may be, for any property, rights or privilege etc. purchased or acquired and/or sold, disposed off or services rendered to or by the Company.
 - To invest the funds of the Company and to increase, reduce or realise the Company's investments.
 - To borrow money with or without security, to open and operate upon any Bank Accounts of the Company including Cash Credit and/or overdraft account, to sign and deliver contracts, transfer contracts, transfer deeds and other instruments and negotiable instruments.
 - To employ officers, staff and other persons required for the business and management of the Company and to determine their salaries, powers and duties.
 - To discharge, suspend dismiss the officers, staff and other persons employed for the business and management of the Company and to pay their remuneration.
 - To execute lease agreements and documents etc. on behalf of the company.
 - To institute, conduct, defend, compromise or refer to arbitration and abandon any legal or other proceedings, claims and disputes by or against the Company.
To engage lawyer/advocate/vakil/pleader/attorney on behalf of the Company in any matter/dispute/case/suit/appeal/complaint or arbitration case filed or to be filed by/against the Company.
To sign, verify, affirm and file papers, affidavit, documents, replies and any other document that may be necessary/requisite and to make statement and depose on behalf of the Company.
 - To delegate and authorise further in writing any other person/official/employee of the Company to perform, act and execute any of his above powers.
9. The Managing Director will not liable to retire by rotation during the term of the Agreement.
10. The Managing Director is entitled to claim damages in case of prior termination of this Agreement on account of reconstruction or amalgamation, with full wages for the balance period of agreement.
11. The Managing Director will not divulge to any person any trade secret, manufacturing process or any information concerning the business or finance of the Company.
12. All disputes and differences between the parties hereto shall be referred to the arbitrators, one to be appointed by each of the parties to these presents and all proceedings of such arbitration shall be subject to the provisions of the Arbitration Act, 1940.
- This statement should be treated as an abstract of the terms of the contract with Mr. V.S. Bhagat for the purpose of section 302 of the Companies Act, 1956.
- A copy of Agreement is open for inspection of the members of the Company during normal office hours on any working day at the Registered Office of the Company and will also be available at the meeting.
- Mr. V.S. Bhagat himself and Mrs. Renu Bhagat, Director of the Company being related with him are interested in the proposed resolution.

ITEM NO 5

Mr. S. D. Kapur is retiring by rotation at the forthcoming Annual General Meeting. He has not offered himself for reappointment. Members are requested to consider and pass the said resolution.
None of the Directors except Mr. S D Kapur is interested in the resolution.

By Order of the Board of Directors

Place : New Delhi
Date : 30/07/99

V S BHAGAT
Managing Director

DIRECTORS' REPORT**The Members,**

Your directors have pleasure in presenting the 13th Annual Report and the Audited Accounts of the Company for the financial year ended 31st March, 1999.

FINANCIAL RESULTS

	<i>(Rs. in lacs)</i>	
	<u>1998-99</u>	<u>1997-98</u>
Turnover	513.03	655.41
Profit/(Loss) before interest & depreciation	26.55	93.12
Interest	156.99	157.97
Profit/(Loss) before depreciation	(130.44)	(64.85)
Depreciation (not provided)	NIL	NIL
Net Profit/(Loss)	(130.44)	(64.85)

DIVIDEND

On account of the losses suffered by the company, the directors don't recommend any dividend for the year.

OPERATIONAL HIGHLIGHTS

In the current year the Company could not perform well as expected. Because of labour unrest, there was strike in the factory for 45 days from 10th Sept. to 25th Oct., 1998 and consequent loss of production, the Company's turnover got reduced from Rs. 655.41 lacs to Rs. 513.03 lacs resulting in increased net losses. However, the labour unrest is over and production is going on smoothly. In the current year 1999-2000, we expect higher turnover as compared to last year because of better order position and cordial relations with the workmen. The establishment costs shall also be reduced because of reduction in the strength of surplus staff.

MATTER BEFORE BIFR

The matter for reconstruction of the Company is still pending before BIFR. The Company has also given a proposal to the Financial Institutions for One Time Settlement.

DIRECTORS

Mr. S.D.Kapur and Mr. S.P. Gugnani Directors of the Company retire by rotation at the ensuing Annual General Meeting. Mr. S.D. Kapur has shown his inability for re-appointment due to some personal reasons. Mr. S.P.Gugnani being eligible, offer himself for re-appointment. As his continued presence on the Board is of immense importance to the Company, your Directors recommend Mr. Gugnani's re-appointment. The term of Mr. V.S. Bhagat as Managing Director expired on 14/07/99 and he has been reappointed as Managing Director of the Company by the Board of Directors for a period of 5 years w.e.f. 15/07/99. The approval of the members is sought in the Annual General Meeting.

During the year the nomination of Mr. Rudolf Schwarz was withdrawn by Fuba Printed Circuits GMBH (Formerly Fuba Hans Kolbe & Co.) now taken over by VOGT Electronic Ag, Erlau. They have nominated Dr. Franz Botzl as Director on the Board of the Company.

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 recommend their re-appointment. The requisite certificate pursuant to Section 224 (1B) of the Companies Act 1956, has been received.

FIXED DEPOSITS

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

LISTING OF SECURITIES

The financial condition of the Company is not sound. It is expensive for the Company to be listed on five Stock Exchanges, but as per new guidelines the delisting procedure is itself so cumbersome and expensive that the Company has given up its attempt to get it delisted from The Stock Exchange, Ahmedabad. However, the application for delisting the securities of the Company is pending with The Calcutta Stock Exchange Association Ltd. since 1997. At present the securities of the Company are listed with The Ludhiana Stock Exchange Assn. Ltd, The Stock Exchange Mumbai, The Delhi Stock Exchange Assn. Ltd, The Stock Exchange Ahmedabad and The Calcutta Stock Exchange Association Ltd. The Company has paid Annual Listing Fees of all the Stock Exchanges except The Calcutta Stock Exchange Association Ltd. with whom application for delisting is pending.

OBSERVATION OF THE AUDITORS IN THE ANNUAL ACCOUNTS

The auditors have made no comment in their report.

INDUSTRIAL RELATIONS

There was labour unrest which resulted in illegal strike for 45 days from 10th Sep. to 25th Oct., 1998. Now the relations with the labour are once more cordial.

ENERGY CONSERVATION/TECHNOLOGY ABSORPTION/FOREIGN EXCHANGE EARNING AND OUTGO

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

PARTICULARS OF EMPLOYEES

There was no employee during the previous year drawing salary of Rs.6,00,000/-p.a. or more or Rs. 50,000/-p.m. or more during any period of the previous year so the provisions relating to the particulars of employees under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are not attracted.

Y2K COMPLIANCE

The Company has taken appropriate and effective steps to be Y2K compliant by October 1999. The expenditure to ensure Y2K compliance is not expected to have any material financial impact.

ACKNOWLEDGMENT

Your Directors take the opportunity to offer thanks to ICICI, IDBI, IFCI, DEG and State Bank of Patiala for their valuable assistance. Your Directors place on record their gratitude to FUBA Printed Circuits GMBH, Germany (Formerly Fuba Hans Kolbe & Co.) now taken over by VOGT Electronics Ag, Erlau.

Your Directors also wish to place on record their deep sense of appreciation for the devoted 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
Dated : 30.07.99

D.R. Bhagat
Chairman

ANNEXURE I

Information required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosing of particulars in the Report of Board of Directors) Rules, 1988 for the Period ended 31st March, 1999.

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**

	Current year	Previous year
1. Electricity		
(a) Purchased		
- Units	10,11,972	11,55,980
- Total Amt. (Rs. in lacs)	22.97	24.32
- Rate/Unit (Rs.)	2.27	2.10
(b) Own Generation		
i) Through diesel generator		
- Units	11,509	15,225
- Units per lt. of diesel Oil	2.83	2.88
- Cost per unit (Rs.)	3.38	3.26
ii) Through steam turbine/ generator	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Others Internal Generation	Nil	Nil

B. CONSUMPTION PER UNIT OF PRODUCTION

	- Printed Circuit Boards	
Production	151.8 units	125.63 units
Unit- Sq. Mtrs.	(Rs. 346.47)	(Rs. 266.21)

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. Your Company has developed capacity to manufacture the multilayer boards and double sided boards with SMT pads.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

	1998-99 (Rs. in Lac)	1997-98 (Rs. in Lac)
A. FOREIGN EXCHANGE USED		
1. Travelling expenses	4.57	Nil
2. Raw materials/chemicals/ Stores and spares etc. imported	205.14	250.07
3. Others	00.99	1.68
B. FOREIGN EXCHANGE EARNED	91.02	137.52

AUDITOR'S REPORT

To

The Members of,
BCC FUBA INDIA LIMITED

We have audited the attached Balance Sheet of BCC FUBA INDIA LIMITED, as at 31st March, 1999 and the Profit & Loss Account of the Company for the year ended on that date annexed thereto and report that :

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
3. The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view subject to :
 - (a) Note No. B(2) regarding non-provision of the liability on account of additional interest, liquidated damages, compound interest etc. and other matters contained therein. The differences of amounts of Principal Loan and interests thereon in the loan recall notices issued by the term lending Financial Institutions remains unreconciled.
 - (b) Note No. B(5) regarding non-provision of accumulated depreciation on the fixed assets upto 31st March, 1999 amounting to Rs. 501.37 lacs (Rs. 436.64 lacs upto the year ended 31st March, 1998).
 - (c) Note No. B(6) regarding non-amortisation of the miscellaneous expenditure upto 31st March, 1999 to the extent of Rs. 48.48 lacs (Rs. 48.11 lacs upto the year ended 31st March, 1998).
 - (d) Note No. B(7) regarding non-reconciliation of the share application money received in respect of equity shares offered to the public in September, 1990.
 - (e) Note No. B(13) regarding non provision of interest on unsecured loan taken from Bhagat Construction Company Private Limited, upto 31st March, 99, Rs. 4.01 Lacs (upto 31-3-98 Rs. 3.01 Lacs).
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 1999 and
 - ii) In the case of the Profit and Loss Account, of the loss for the year ended on that date.
5. In terms of the Manufacturing and Other Companies (Auditor's Report) Order 1988, issued by the Company Law Board under Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, we further report that :
 - i) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management during the year and having regard to the size of the Company and the nature of assets and on information and explanations given to us by the management, discrepancies noticed on physical verification were not significant and have been properly dealt with in the books of account.
 - ii) None of the fixed assets have been revalued during the year.
 - iii) The stock of finished goods, raw materials, stores and spares have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
 - iv) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - v) The discrepancies between physical stocks and the book records are not material and have been properly dealt with in the books of account.
 - vi) In our opinion, the valuation of raw materials, spares and consumables is fair and proper and is in accordance with the normally accepted accounting principles and is on the same basis as in the previous years. Further in accordance with the accounting policy consistently followed by the Company excise duty is not considered as an element of cost for the valuation of finished goods (refer Note No. A(4) and B(14)(b) of the Notes on Account). The amount of excise duty relating to the closing stock of finished goods as at 31st March, 1999 and not considered for valuation is Rs. 9,10,868.00. Though the above method of valuation does not affect the loss during the year, it is not in accordance with the recommendations contained in the Guidance Note issue by the Institute of Chartered Accountants of India.
 - vii) During the year under report the Company has not taken unsecured loans from any companies and firms listed in the register maintained under Section 301 of the Companies Act, 1956. As explained to us the terms

and conditions of the unsecured loan taken from a Company listed in the register maintained under Section 301 of the Companies Act, 1956 during the earlier years and outstanding as at 31st March, 1999 are not prima facie prejudicial to the interests of the Company. No interest has been paid/provided on this loan for the year. There are no Companies under the same management as specified under sub-section (1B) of Section 370 of the Companies Act, 1956.

- viii) No Loans or Advances in the nature of loans have been given during the year, secured or unsecured, to the companies listed in the register(s) maintained under Section 301 of the Companies Act, 1956. There are no companies under the same management as specified under sub section (1B) of the Section 370 of the Companies Act, 1956.
- ix) The Company has given interest free advances in the nature of loans to employees, who are generally repaying the principle amount as per stipulation wherever such stipulations exist.
- x) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores and spares, raw materials and assets and for sale of goods.
- xi) There are no transactions for sale of goods, materials and services or purchase of goods and materials made in pursuance of contracts entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year more than Rs. 50,000.
- xii) As informed to us, the Company has a regular procedure for determination of unserviceable or damaged stores, raw materials and finished goods and adequate provision has been made for the losses arising on the items so determined in the accounts.
- xiii) The Company has not accepted any deposits from the public during the year.
- xiv) In our opinion, reasonable records have been maintained by the Company for the sale and disposal of scrap. As explained to us there are no by-products of the company.
- xv) A firm of Chartered Accountants, is conducting a regular internal audit and on the basis of the reports made by them to the management, the internal audit system is in our opinion commensurate with the size of the company and the nature of its business.
- xvi) 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.
- xvii) The Company is generally regular in depositing the provident fund and Employee State Insurance dues with the appropriate authorities.
- xviii) As explained to us and as per the information given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales tax, Customs Duty and Excise Duty were outstanding as at 31st March, 1999 for a period exceeding six months.
- xix) According to the information and explanations given to us and so far as it appears from the examination of books of account, no personal expenses of employees or directors have been charged to revenue account other than those payable under the contractual obligations or in accordance with generally accepted business practices.
- xx) The Company had become a Sick Industrial Company within the meaning of clause (O) of sub section (i) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

For VINAY AGGARWAL & ASSOCIATES
Chartered Accountants

Place : New Delhi
Dated : 28-05-99

(VINAY AGGARWAL)
Partner

BCC FUBA INDIA LIMITED**BALANCE SHEET AS AT 31ST MARCH, 1999**

	SCHEDULE NO.	AS AT 31.03.99 (Rs.)	AS AT 31.03.98 (Rs.)
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS			
Capital	I	60,581,500	60,581,500
Reserves & Surplus	II	85,951	85,951
LOAN FUNDS			
Secured Loans	III	189,528,180	170,201,400
Unsecured Loans	IV	557,252	557,252
TOTAL		250,752,883	231,426,103
APPLICATION OF FUNDS :			
Fixed Assets	V	123,763,306	123,271,252
Current Assets, Loans and Advances	VI	50,144,002	51,113,226
Less : Current Liabilities and Provisions	VII	9,065,242	16,064,174
Net Current Assets		41,078,760	35,049,052
Miscellaneous Expenditure (To the extent not written off or adjusted)	VIII	5,399,363	5,638,363
Profit and Loss Account		80,511,454	67,467,436
TOTAL		250,752,883	231,426,103
Notes on Accounts	XVI		

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

For and on behalf of the Board of Directors

D.R. BHAGAT
CHAIRMAN

(VINAY AGGARWAL)
PARTNER

V.S. BHAGAT
MANAGING DIRECTOR

RENU BHAGAT
SWARANJIT SINGH
KLAUS BENZ
S.P. GUGNANI
N.S. CHOUDHARY
DIRECTORS

Place : New Delhi
Dated : 28/05/99

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 1999**

	SCHEDULE NO.	YEAR ENDED 31.03.99 (Rs.)	YEAR ENDED 31.03.98 (Rs.)
INCOME			
Sales		51,302,841	65,541,379
Other Income		2,136,710	2,380,173
Increase/(Decrease) in Stock	IX	(429,931)	(3,573,728)
		<u>53,009,620</u>	<u>64,347,824</u>
EXPENDITURE			
Raw Materials, Stores and Spares Consumed	X	28,505,999	31,742,492
Manufacturing Expenses	XI	10,427,019	12,306,059
Employees Remuneration & Benefits	XII	7,048,903	7,338,081
Administrative Expenses	XIII	3,762,935	2,822,039
Selling Expenses	XIV	301,255	453,432
Financial Charges	XV	16,007,527	16,171,040
		<u>66,053,638</u>	<u>70,833,143</u>
Loss for the year		13,044,018	6,485,319
Add : Brought forward losses		67,467,436	60,982,117
Balance carried over to the Balance Sheet		<u>80,511,454</u>	<u>67,467,436</u>
Notes on Accounts	XVI		

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

For and on behalf of the Board of Directors

D.R. BHAGAT
CHAIRMAN

(VINAY AGGARWAL)
PARTNER

V.S. BHAGAT
MANAGING DIRECTOR

RENU BHAGAT
SWARANJIT SINGH
KLAUS BENZ
S.P. GUGNANI
N.S. CHOUDHARY
DIRECTORS

Place : New Delhi
Dated : 28/05/99

SCHEDULES TO BALANCE SHEET

	AS AT 31.03.99 (Rs.)	AS AT 31.03.98 (Rs.)
SCHEDULE-I		
SHARE CAPITAL		
Authorised :		
6500000 Equity Shares of Rs. 10 each	<u>65,000,000</u>	<u>65,000,000</u>
Issued & 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		
State Subsidy on DG Set	<u>85,951</u>	<u>85,951</u>
	<u>85,951</u>	<u>85,951</u>
SCHEDULE-III		
SECURED LOANS :		
i) From All India Financial Institutions (Under Project Financial Participating Scheme)		
- Rupee Term Loan	30,700,000	30,700,000
- Foreign Currency Loan	31,930,658	31,930,658
ii) From DEG, Germany		
- Foreign Currency Loan	21,860,811	21,860,811
iii) Interest Accrued & Due on above	100,334,074	84,985,476
iv) Working Capital Loan from Banks	4,702,637	724,455
	<u>189,528,180</u>	<u>170,201,400</u>

NOTES :

- The Term Loans from Financial Institutions are secured by a first mortgage on all the Company's immovable properties both present and future and a first charge by way of hypothecation of all the company's movables, save and except book debts, but including movable machinery, machinery spares, tools and accessories, present and future, subject to prior charges, created or to be created in favour of the company's bankers on specified movable for securing/borrowing for working capital requirements. The Rupee/Foreign Currency Term Loans from All India Financial Institutions rank pari passu with the Foreign Currency Term Loan from DEG, Germany.

2. Foreign Currency Loan From DEG, Germany is secured by way of first equitable mortgage over all the Company's immovable properties present and future and a first charge by way of hypothecation of all the company's movables both present and future (except those movable as may be agreed by DEG and other Indian participating Financial Institutions to secure short term debt), such securities to secure the loan rateably and rank pari passu with term lenders viz. ICICI/IFCI/IDBI.
3. Working capital loan provided by State Bank of Patiala is secured by a first charge by way of hypothecation of stocks & book debts of the company and collaterally secured by a first charge by way of an equitable mortgage of property of a director.

	AS AT 31.03.99 (Rs.)	AS AT 31.03.98 (Rs.)
--	----------------------------	----------------------------

SCHEDULE-IV

UNSECURED LOANS

From a Company in which two Directors are interested	557,252	557,252
	<u>557,252</u>	<u>557,252</u>

SCHEDULE-V

FIXED ASSETS

	G R O S S B L O C K			As at 31.3.99 (Rs.)
	As at 31.3.98 (Rs.)	Additions (Rs.)	Sales (Rs.)	
Land (Freehold)	651,061	-	-	651,061
Building	8,648,928	-	-	8,648,928
Plant & Machinery	107,799,883	185,040	-	107,984,923
Electrical Works	3,016,357	-	-	3,016,357
Furniture & Fixtures	942,515	18,571	-	961,086
Temporary Wooden Partition	74,824	-	-	74,824
Office Equipments	759,565	229,576	-	989,141
Storage & Other Equipments	122,050	58,867	-	180,917
Fire Fighting Equipments	18,774	-	-	18,774
Vehicles	1,237,295	-	-	1,237,295
TOTAL	<u>123,271,252</u>	<u>492,054</u>	-	<u>123,763,306</u>
PREVIOUS YEAR	122,514,779	926,157	169,684	123,271,252

NOTES : 1. No depreciation has been provided on Fixed Assets so far.
Refer Note No. B(5) in the Schedule of Notes on Account.

	AS AT 31.03.99 (Rs.)	AS AT 31.03.98 (Rs.)
SCHEDULE-VI		
CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
i) Inventories		
(As certified and Valued by the Management on which Auditors have relied)		
Raw material	14,196,677	12,634,629
Stores & spares	1,068,248	771,673
Work-in-progress	1,828,997	1,905,961
Finished goods	5,692,927	6,045,894
ii) Sundry Debtors		
(Unsecured, unconfirmed considered good)		
Debts outstanding for a period exceeding six months	9,055,907	6,712,279
Other Debts	9,856,893	18,720,647
iii) Cash & Bank Balances		
Cash in hand	27,242	52,434
Balance with Scheduled Banks		
(a) In Current Accounts*	21,633	388,652
(b) In Share Application Money Accounts	404,282	633,605
(c) In Term Deposits Accounts	5,500,000	1,040,500
(Subject to reconciliation & confirmation)		
Interest Accrued but not due	930,950	247,293
TOTAL A	48,583,756	49,153,567
B. LOANS AND ADVANCES		
(Unsecured, unconfirmed considered good)		
Advances recoverable in cash or in kind or for value to be received	852,446	1,280,224
Security Deposits	642,561	569,597
Staff Advances	65,239	109,838
TOTAL B	1,560,246	1,959,659
TOTAL A+B	50,144,002	51,113,226

* Amount of Rs. 945.00 in current account maintained by Company in SBOP Kota is subject to confirmation & reconciliation.

BCC FUBA INDIA LIMITED

	AS AT 31.03.99 (Rs.)	AS AT 31.03.98 (Rs.)
--	----------------------------	----------------------------

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

Sundry creditors	3,519,262	10,055,562
Expenses payable	814,859	1,233,583
Share application money		
Refundable (subject to reconciliation with the banks)	477,932	707,255
TOTAL A	4,812,053	11,996,400

B. PROVISIONS

Provision for Gratuity	787,987	724,915
Interest Accrued but not due on Term Loans	3,283,128	3,151,472
Provision for Bonus	182,074	191,387
TOTAL B	4,253,189	4,067,774
TOTAL A+B	9,065,242	16,064,174

SCHEDULE-VIII**MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

Foreign Training & Technician Expenses	98,399	98,399
Preliminary Expenses	77,672	77,672
Technical Know how Fee	2,541,788	2,780,788
Public Issue Expenses	1,950,029	1,950,029
Right Issue Expenses	731,475	731,475
	5,399,363	5,638,363

SCHEDULES TO PROFIT & LOSS ACCOUNT

	YEAR ENDED 31.03.99 (Rs.)	YEAR ENDED 31.03.98 (Rs.)
--	---------------------------------	---------------------------------

SCHEDULE-IX**INCREASE / (DECREASE) IN STOCKS :**

CLOSING STOCKS :		
Work in Progress	1,828,997	1,905,961
Finished Goods	5,692,927	6,045,894
TOTAL A	7,521,924	7,951,855
LESS : OPENING STOCKS		
Work in Progress	1,905,961	1,777,877
Finished Goods	6,045,894	9,747,706
TOTAL B	7,951,855	11,525,583
Increase/(Decrease) in stock (A-B)	(429,931)	(3,53,728)

BCC FUBA INDIA LIMITED

	YEAR ENDED 31.03.99 (Rs.)	YEAR ENDED 31.03.98 (Rs.)
--	---------------------------------	---------------------------------

SCHEDULE-X**CONSUMPTION OF RAW MATERIALS, STORES & SPARES****Opening Stock :**

Raw Material	12,634,629	7,826,544
Stores & Spares	771,673	436,379

ADD : Purchases

Raw Material	28,728,670	36,074,100
Stores & Spares	1,635,952	811,771
	<u>43,770,924</u>	<u>45,148,794</u>

LESS : Closing Stock

Raw Material	14,196,677	12,634,629
Stores & Spares	1,068,248	771,673
	<u>28,505,999</u>	<u>31,742,492</u>

Consumed during the year**SCHEDULE-XI****MANUFACTURING EXPENSES**

Excise Duty	6,771,923	8,250,697
Repairs & Maintenance		
- Plant & Machinery	737,985	1,003,380
- Buildings	190,652	149,680
- Others	193,470	204,023
Power & Fuel	2,337,194	2,481,825
Testing Charges	20,388	4,400
Freight & Cartage	175,407	212,054
	<u>10,427,019</u>	<u>12,306,059</u>

SCHEDULE-XII**EMPLOYEES REMUNERATION & BENEFITS**

Salary & Allowances	6,290,860	6,630,569
Contribution to Provident & Other Funds	580,114	551,004
Staff Welfare	177,929	156,508
	<u>7,048,903</u>	<u>7,338,081</u>

SCHEDULE-XIII**ADMINISTRATIVE EXPENSES**

Miscellaneous expenses	902,730	668,524
Printing & stationery	132,943	137,711
Electricity & water charges	111,064	57,627
Travelling & conveyance expenses	958,970	319,984
Vehicle running & maintenance	216,047	205,178
Insurance	205,098	201,688
Rent, rate & taxes	199,896	210,470
Filing & other fees	117,606	101,863
Office maintenance	23,025	26,903
Postage, telephone & telex	484,395	431,747
Legal & professional charges	124,900	123,163

BCC FUBA INDIA LIMITED

	YEAR ENDED 31.03.99 (Rs.)	YEAR ENDED 31.03.98 (Rs.)
Books & periodicals	14,403	16,843
Bad debts and debit balance w/off	193,266	131,138
Payment to Auditors :		
Audit fees	21,000	20,000
Other services	17,600	25,000
Loss on Sale of Vehicle	-	89,409
Directors meeting expenses	13,500	13,500
Staff recruitment	25,492	41,291
Certification Fees	1,000	-
	<u>3,762,935</u>	<u>2,822,039</u>

SCHEDULE-XIV**SELLING EXPENSES**

Business promotion	34,497	32,028
Advertisement & publicity	3,000	2,000
Packing material	60,692	133,245
Freight & cartage outward	179,934	252,774
Commission, rebate & discount on sales	16,317	32,162
Sales Tax Expenses	4,145	1,223
Sample	2,670	-
	<u>301,255</u>	<u>453,432</u>

SCHEDULE-XV**FINANCIAL CHARGES**

Bank Charges	308,957	374,067
Interest on Term Loans	15,480,254	15,055,506
Working Capital Loans	216,375	550,476
Interest on Unsecured Loans	-	-
Interest to Others	1,941	190,991
	<u>16,007,527</u>	<u>16,171,040</u>

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 1999

SCHEDULE-XVI

NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES :

The accounts are prepared on historical cost convention basis and materially comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.

The significant accounting policies followed by the Company are as follows :

1. Fixed Assets

Expenditure of Capital nature are capitalised at cost comprising purchase price (net of rebates and discounts), import duties, levies and any other cost which is directly attributable to bringing the asset to its working condition for the intended use.

2. Treatment of Foreign Currency Items :

- a) All payments made in foreign currency are converted into Rupees at the rate at which it is debited by the Bank.
- 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 rate prevailing as on that date. Gains and Losses on foreign Exchange transactions other than those relating to Fixed Assets are debited/credited to the Foreign Exchange rate difference account to be charged off to the Profit and Loss Account.

3. Valuation of Inventories :

- a) Raw material, stores, spares and consumables are valued at purchase cost to the company.
- b) Work in progress is valued at an estimated cost.
- c) Finished goods are valued at lower of cost or realisable value, the cost includes raw material consumption and proportionate manufacturing over heads and depreciation of factory building, plant & machinery, mould & dies, loose tools and electrical installation and financial charges.

4. Treatment of Excise Duty :

The Excise Duty is accounted for as and when the same is paid on despatch of goods from the factory/bonded premises.

5. Revenue Recognition :

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

6. Treatment of Retirement Benefits :

- a) Contribution to Provident Fund is made at the specified rates and the same is debited to the Profit and Loss Account on accrual basis.
- b) Provision for retirement gratuity of employees is made on an estimated basis for those employees who have put in the qualifying period of service.

7. 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 :

- a) Letters of Credit outstanding for Raw Materials Rs. 27.00 lacs (Previous year Rs. 91.71 lacs)
- b) Royalty to collaborator M/s Fuba Printed Circuits GMBH, (formerly Fuba Hans Kolbe & Co.) amounting to Rs. 18,51,646.94 till the year 1995-96 due to non-fulfilment of contractual obligation by them.
- c) A show cause notices received in the previous year from the Central Excise Authorities, Chandigarh as to why an amount aggregating of Rs. 4,34,920.41 for which the modvat credit was allowed earlier, should not be recovered from the company. The company is contesting the same before the appropriate authorities.

2. The term lending institutions had recalled their loans alongwith the interest, etc. amounting to Rs. 21,96,74,844.00 upto 1996-97. The company has not provided for additional interest, compound interest, liquidated damages and other financial charges on secured term loan. The company is in process of reconciliation of the amount due to the institutions and amount recalled. Difference therein, shall be accounted for in the subsequent year(s). However, the company had moved an application with Board for Industrial and Financial Reconstruction (BIFR) alongwith a rehabilitation scheme. The matter is still pending before the Board.

3. The company does not have a company secretary under the sub-section (1) of section 383A of the Companies Act, 1956. The management of the company is making all the reasonable efforts to comply with the provisions of the sub-section (1) of Section 383-A.

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

	Current year Rupees	Previous year Rupees
Basic salary	3,48,000	3,48,000
Contribution to provident funds	34,800	34,800
Medical reimbursement	29,000	29,000
Lease rent	72,000	72,000
	4,83,800	4,83,800

5. Depreciation on Fixed Assets amounting to Rs. 5,01,36,890 upto 31st March, 1999 as per details below (Rs. 4,36,63,959 upto 31st March, 1998) calculated on straight line basis at rates specified in Schedule XIV to the Companies Act, 1956 has not been provided for in the accounts. The same will be provided in the years of profit.

	D E P R E C I A T I O N		
	Up to 31.3.98 (Rs.)	For the year (Rs.)	Up to 31.3.99 (Rs.)
Building	1765828	274380	2040208
Plant & machinery	39924769	5792840	45717609
Electrical works	956529	143007	1099536
Furniture & fixtures	341911	76149	418060
Office equipments	176176	59545	235721
Storage & other equipments	21903	8325	30228
Fire fighting equipments	5910	892	6802
Vehicles	394210	117298	511508
Pumping set	1899	495	2394
Temporary wooden partitions	74824		74824
	43663959	6472931	50136890

6. The Management has decided not to write off Miscellaneous Expenditure amounting to Rs. 4,847,531 upto 31-03-99 (Previous year Rs. 4,810,613 upto 31-03-98) the same will be charged to the Profit & Loss Account in the years of profit.
7. The company had come out with a Public Issue in September 1990. An amount of Rs. 404,282 shown under the head Current Assets on share application money and an amount of Rs. 477,932 shown under the head current liabilities as share application money refundable has not been reconciled till date.
8. In the opinion of the Directors Current Assets, Loans and Advances are of the value stated, if realised 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.
9. 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 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 entries in the books of account in respect of the amount of Rs. 29,55,684.00 and interest on the entire amount of award will be made after its receipt.
10. The conversion of Foreign Currency Loans (under ERAS) from all India Financial Institutions (ICICI/IDBI/ICI) into Indian Rupee has been made on the basis of exchange rate prevailing on the dates of disbursement as advised by these Institutions.
11. No adjustment has been made for the notional liabilities due to fluctuation in the rate of exchange of Foreign Currency in respect of outstanding Foreign Currency Loan from DEG. amounting to Rs. 2,18,60,811.49 as on 31/3/99 (Previous year Rs. 2,18,60,811.49). The same will be accounted for on actual basis as and when the relevant instalments are paid. The presumptive additions to the Loan as per the conversion rate of the relevant Foreign Currency as on 31st March 1999 worked out to Rs. 2,55,39,188.51 (Previous year Rs. 2,17,39,188.51).
12. Interest accrued & due to DEG, Germany during the year on the secured Foreign Currency Loan amounting to DM 1,65,200 (Previous year DM 1,65,200) has been converted into Rupees at the exchange rate prevalent on 31.3.1999.
13. Interest payable to Bhagat Construction Company Pvt. Ltd. for the financial year 1998-99 amounting to Rs. 401,223 (including Rs. 300,918 pertaining to year 1995-96, 96-97 & 97-98) has not been provided in the books of accounts.
14. Advance recoverable includes Rs. 70683.00 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 has now filed a suit against the transport company in consumer disputes redressal 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.
15. No provision has been made for :
- Income tax as the company has been advised that it is not liable to pay tax for the year.
 - Excise duty payable on finished goods manufactured but yet to be cleared from the factory as at 31st March, 1999 estimated at Rs. 9,10,868 (Previous year Rs. 10,88,261). However, there is no effect on the profit for the year on account of the above treatment of Excise Duty.
16. Other income includes Rs. 182763.00 as interest (Previous year Rs. 52656.00) on Short Term Deposits with Scheduled Commercial Banks.
17. Miscellaneous expenses as per Schedule XIII related to administrative expenses includes expenses pertaining to earlier year amounting to Rs. 429781.99 (Previous year 343975.08).
18. The personal accounts of the parties are subject to their respective confirmations.
19. **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 productions :

ITEM	UNIT	LICENSED CAPACITY	INSTALLED CAPACITY	ACTUAL PRODUCTION
Printed	Square	23400	23400	6744.39
Circuit Boards	Meters	(23400)	(23400)	(9322.33)

(Figures in brackets are for Previous year)

b) Raw Materials, Stores & Spares Consumed :

	1998-1999		1997-1998	
	Qty. in Sq. Mtr.	Value (Rs. lacs)	Qty. in Sq. Mtr.	Value (Rs. lacs)
i) Laminated Sheets	10003.30	132.18	12721.60	150.25
ii) Others-Chemicals consumable stores etc.	-	152.88	-	167.17
	10003.30	285.06	12721.60	317.42

c) Percentage of Material Consumed :

Raw Materials	1998-99		1997-98	
	%age	Value (Rs. lacs)	%age	Value (Rs. lacs)
i) Imported	96.57	127.64	94.92	142.62
ii) Indigenous	3.43	4.54	5.08	7.63
	100.00	132.18	100.00	150.25

d) CIF Value of Imports :

	1998-1999 (Rs. lacs)	1997-1998 (Rs. lacs)
i) Raw materials	101.82	116.39
ii) Stores, spares & chemicals	103.32	133.68

e) Expenditure in Foreign Currency :

Travelling	Rs. 4,56,730 (Previous year NIL)
Others	Rs. 99,217 (Previous year Rs. 1,67,595)
f) FOB Value of Export	Rs. 91,02,061.99 (Previous year Rs. 1,37,51,932.85)

g) Sales :

	1998-99		1997-98	
	Qty. in Sq. Mtr	Value in (Rs. lacs)	Qty. in Sq. Mtr	Value in (Rs. lacs)
Printed Circuit Board	6703.47	513.03	9791.57	655.41

h) Stock particulars of finished goods :

Unit	Opening Stock		Closing Stock	
	Qty.	Value (Rs. lacs)	Qty.	Value (Rs. lacs)
Square Mtrs.	971.26	60.46	1012.18	56.93

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

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

22. Schedules I to XVI form an integral part of the Balance Sheet as at 31st March, 1999 and have been duly authenticated as such.

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

(VINAY AGGARWAL)
PARTNER

For and on behalf of the Board of Directors

D.R. BHAGAT
CHAIRMAN
V.S. BHAGAT
MANAGING DIRECTOR
RENU BHAGAT
SWARANJIT SINGH
KLAUS BENZ
S.P. GUGNANI
N.S. CHOUDHARY
DIRECTORS

Place : New Delhi
Dated : 28/05/99

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 1999

	Year Ending 31st March, 1999 Rs. in lacs	Year Ending 31st March, 1998 Rs. in lacs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET LOSS BEFORE TAX AND EXTRAORDINARY ITEMS	(130.44)	(64.85)
ADJUSTMENTS FOR :		
Depreciation	Nil	Nil
Net prior period expenses	1.35	2.85
Miscellaneous expenditure written off	Nil	Nil
Interest paid	Nil	Nil
	<u>1.35</u>	<u>2.85</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(129.09)	(62.00)
ADJUSTMENT FOR :		
Trade and other receivables	69.19	(59.79)
Inventories	(14.30)	(15.70)
Trade payables & other liabilities	<u>(69.99)</u>	<u>50.86</u>
	<u>(15.10)</u>	<u>(24.63)</u>
CASH GENERATED FROM OPERATIONS	(144.19)	(86.63)
Less : Interest paid	Nil	Nil
Less : Net prior period expenses	(1.35)	(2.85)
Net cash from operating activities	<u>(145.54)</u>	<u>(89.48)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets/capital working	(4.92)	(7.56)
Progress increase in working capital loans		
Purchase of investment	Nil	Nil
Interest/Dividends received	Nil	Nil
Increase/decrease in misc. expenditure	2.39	(7.56)
NET CASH USED IN INVESTING ACTIVITIES	<u>(2.53)</u>	<u>(7.56)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in long term borrowings	153.49	150.85
Increase in working capital loans	39.79	(43.04)
Net cash received in financing activities	<u>193.28</u>	<u>107.31</u>
D. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		
Opening cash & cash equivalents	45.21	10.27
Closing cash & cash equivalents	<u>23.63</u>	<u>13.36</u>
	<u>68.84</u>	<u>23.63</u>

We have verified the attached cash flow statement of BCC FUBA INDIA LTD. derived from audited financial statement and the books and records maintained by the company for the year ending 31st March, 1999 and 31st March, 1998 and found the same in agreement therewith.

For VINAY AGGARWAL & ASSOCIATES
Chartered Accountants

Place : New Delhi
Dated : 28/05/99

(VINAY AGGARWAL)
Partner

BCC FUBA INDIA LIMITED

BCC FUBA INDIA LIMITED

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

ATTENDANCE SLIP

Full name of the Shareholder/Proxy.....

Registered Folio No.....

If proxy, full name of shareholder.....

I hereby record my presence at the **13th Annual General Meeting** of the Company held at 4 Km., Swarghat Road, Nalagarh-174 101 on Tuesday, the 28th day of September, 1999 at 2:30 P.M.

Signature of the Shareholder / Proxy

Note :

This attendance slip may please be handed over at the entrance of the Meeting Hall.

BCC FUBA INDIA LIMITED

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

PROXY FORM

I/We of

..... being a

Member/Members of BCC Fuba India Ltd., hereby appoint

.....

of or failing him

..... of.....

as my/our proxy to attend and vote for me/us on my/our behalf at the **13th Annual General Meeting** of the Company to be held on Tuesday the 28th day of September, 1999 at the Regd. Office of Company at 4 Km., Swarghat Road, Nalagarh-174 101, Distt. Solan (H.P.) and at any adjournment thereof.

AS WITNESS my/our hand(s) this
day of 1999.

Signed by the said

Folio No.

Affix a
Rupee
Revenue
Stamp

NOTE : The proxy must be deposited at Registered Office of the Company 4 Km., Swarghat Road, Nalagarh-174 101, Distt. Solan (H.P.) not less than forty eight hours before the time for holding the meeting.

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

I. Registration Details

Registration No.	12209	State Code	06
Balance Sheet Date	Date	Month	Year
	31	03	1999

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	250753	Total Assets	250753
Source of Funds			
Paid-up Capital	60581	Reserves & Surplus	86
Secured Loans	189529	Unsecured Loans	557
Application of Funds			
Net Fixed Assets	123763	Investments	-
Net Current Assets	41080	Misc Expenditure	5399
Accumulated Losses	80511		

IV. Performance of Company (Amount in Rupees Thousands)

Turnover	53010	Total Expenditure	66054
Profit/Loss before Tax	13044 (loss)	Profit/Loss after tax	13044 (loss)
Earning per share in Rs.	-	Dividend Rate %	-

V. Generic names of Three Principal Products/Services of Company (As per monetary terms)

Item Code No. (ITC Code)	853400
-----------------------------	--------

Product Description

PRINTED CIRCUIT BOARDS PROFESSIONAL GRADE

D.R. BHAGAT
CHAIRMAN

V.S. BHAGAT
MANAGING DIRECTOR

RENU BHAGAT
DIRECTOR

SWARANJIT SINGH
DIRECTOR

KLAUS BENZ
DIRECTOR

S.P. GUGNANI
DIRECTOR

N.S. CHOUDHARY
DIRECTOR

BOOK POST

Printed Matter

If undelivered please return to :

BCC FUBA INDIA LIMITED
Regd. Office : 4 Km. Swarghat Road,
Nalagarh - 174 101, Distt. Solan (H.P.)

Printed at : **PECO Printing Press**, Chandigarh. ☎ : 650480