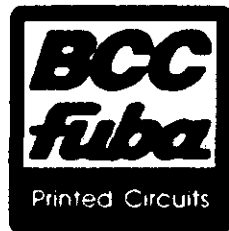


ANNUAL REPORT

1999-2000



BCC FUBA INDIA LIMITED

BCC FUBA INDIA LIMITED
14th Annual Report

BOARD OF DIRECTORS

MR. V. S. BHAGAT	CHAIRMAN AND MANAGING DIRECTOR
MRS. RENU BHAGAT	DIRECTOR
MR. S. P. GUGNANI	DIRECTOR
MR. SWARANJIT SINGH	DIRECTOR
MR. G. F. GROTE	DIRECTOR
DR. FRANZ BOTZL	NOMINEE DIRECTOR
MR. VEENU PASRICHA	ADDITIONAL 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 14th Annual General Meeting of the members of BCC FUBA INDIA LIMITED will be held on Thursday the 21st day of Sept., 2000 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, 2000 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. Swaranjit Singh, 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 an ordinary resolution with or without any modification(s).

"RESOLVED that in partial modification of ordinary resolution passed at the Annual General Meeting of the Company held on 28th September, 1999 and Deed of Agreement executed on 05-07-1999 between the Company and Mr. V.S. Bhagat, Managing Director of the Company, and in accordance with the provisions of Section 198, 269, 309 & 310 read with Schedule XIII and other provisions if any, applicable of the Companies Act, 1956 (including any statutory modification or reenactment thereof, for the time being in force) and resolution passed by the Board of Directors in their meeting held on 25-07-2000 the members hereby approve the increase in salary, perquisites, allowances etc. payable to Mr. V.S. Bhagat, Managing Director of the Company w.e.f. 01-07-2000 for the remainder of the tenure of his term as set out hereunder :

The total remuneration will be subject to a ceiling of Rs. 15,00,000/- p.a. or Rs. 1,25,000/- p.m. w.e.f. 1.7.2000 for the remainder of tenure of the Managing Director i.e. upto 14-07-2004 as per detail given below :

I. SALARY

Rs. 1,00,000/- (Rupees one lac only) per month.

II. PERQUISITES

As below but restricted to Rs. 3,00,000/- per year.

- i) **Housing** : Expenditure on hiring unfurnished accomodation are allowable upto Rs. 24,000/- per month however, if it exceeds Rs. 24,000/- p.m., the excess of amount over Rs. 24,000/- per month shall be recoverable from the salary of the Managing Director.

OR

In case no accomodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance @ Rs. 24,000/- 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 his remuneration as stated above.

- a) contribution to provident fund, superannuation fund or annuity fund to the extent these are either singly or put together 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 perquisites as above shall be paid as remuneration not-withstanding 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.

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 the following resolution as an ordinary resolution with or without any modification(s).**

"RESOLVED that Mr. Veenu Pasricha is appointed as director of the Company liable to retire by rotation."

6. **To consider and if thought fit to pass the following resolution as an ordinary resolution with or without any modification(s).**

"RESOLVED that the consent of the company be and is hereby accorded to the Board of Directors of the Company pursuant to Section 293(1) (a) of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company all or any of the movable and/or immovable properties both present and future of the whole or substantially the whole of the undertaking of the Company for securing any loan, working capital limits or any other financial facilities obtained or as may be obtained by the Company from any Financial Institution(s), person(s), bank(s) together with interest, costs, charges, expenses and any other money payable by the company, however, that the total borrowing of the Company should not exceed the aggregate of Rs. 40 crore, at any time.

FURTHER RESOLVED that the mortgage/charge created/to be created and/or all acts done/to be done in terms of the above resolutions by and with the authority of the Board of Directors of the Company be and are hereby confirmed and ratified."

7. **To consider and if thought fit to pass the following resolution as an ordinary resolution with or without any modification(s).**

"RESOLVED that the consent of the company be and is hereby accorded to the Board of Directors of the Company pursuant to Section 293(1) (d) of the Companies Act, 1956 to borrow any sum of money from time to time, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loan obtained from the Company's banks in the ordinary course of business) may exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say reserves not set apart for any specific purposes provided however, the total amount so borrowed shall not exceed Rs. 40 crore, at any time."

By Order of the Board of Directors

Place : New Delhi
Date : 25.7.2000

Sd/-
V S BHAGAT
Chairman and Managing Director

NOTES

1. Explanatory Statement for item No. 3 to 7 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 14-09-2000 to 21-09-2000 (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

Mr. V.S. Bhagat was re-appointed as Managing Director of the Company in the Annual General Meeting of the members held on 28th day of September, 1999 on the terms and conditions mentioned in the Agreement dated 05/07/1999 entered into between the Company and Mr. V.S. Bhagat, Managing Director. The Central Government vide its notification dated 2.3.2000 has amended para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956 enhancing the limit of remuneration payable to managerial personnel even in the event of absence or inadequacy of net profit of the Company.

Keeping in view quantum of work and efficiency of Mr. V.S. Bhagat in the affairs of the Company and untiring efforts made by him to bring the Company in profit and his role in finalising the one time settlement of dues with Financial Institutions, the Board vide its resolution dated 25.07.2000 has approved the enhancement in the remuneration of Managing Director w.e.f. 1.7.2000. In terms of said resolution, Agreement dated 26.7.2000 was entered into between the Company and Mr. V.S. Bhagat. The approval of members is required for the said enhancement.

Mr. V.S. Bhagat himself and Mrs. Renu Bhagat, Director of the Company being related with him are interested in the proposed resolution.

The details given in resolution and explanatory statement may also be considered as abstract of terms and conditions as required under section 302 of the Companies Act, 1956.

The copy of Agreement is available for inspection of the members at the Registered Office of the Company during working hours on working days.

ITEM NO 5

Mr. Veenu Pasricha was appointed as an additional director of the Company by the Board of Directors in their meeting held on 26.06.2000. In terms of section 260 of the Companies Act, 1956 he will cease as a director on conclusion of forthcoming Annual General Meeting. The Company has received a notice under section 257 of the Companies Act, 1956 alongwith requisite deposit from a member proposing his name for appointment as director, retiring by rotation. Mr. Veenu Pasricha is a young man of 35 years old. He is an IIT qualified Engineer.

None of the Directors except Mr. Veenu Pasricha is interested in the resolution. Members are requested to consider his appointment and pass the proposed resolution.

ITEM NO 6

The Board of Directors was authorised to create mortgage/charge on the movable/immovable assets of the Company upto Rs. 20 crore by the members of the Company in their Annual General Meeting held on 24.09.1996. Due to increase in business the Company may require to borrow more funds and to create charge etc. for more than Rs. 20 Crore at one time. In terms of the provisions of Section 293(1) (a) of the Companies Act, 1956, consent of members of the company is required for authorising the Board of Directors for mortgaging and for creating charges on the movable and immovable assets of the company.

The members may consider and approve the proposed resolution.

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

ITEM NO 7

The Board of Directors of the Company was authorised to borrow money not exceeding to Rs. 20 crore by the members of the Company in their Annual General Meeting held on 24-09-1996. Due to expansion of business the company may require more funds which may exceed Rs. 20 crore. In terms of the provisions of Section 293(1) (d) of the Companies Act, 1956, consent of members of the company is required for authorising the Board of Directors to borrow money in excess of the paid up capital plus free reserves of the company.

The members may consider and approve the proposed resolution.

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

By Order of the Board of Directors

Place : New Delhi
Date : 25/07/2000

Sd/-
V S BHAGAT
Chairman and Managing Director

DIRECTORS' REPORT**The Members,**

Your directors have pleasure in presenting the 14th Annual Report and the Audited Accounts of the Company for the financial year ended on 31st March, 2000.

FINANCIAL RESULTS

	<i>(Rs. in lacs)</i>	
	<u>1999-2000</u>	<u>1998-99</u>
Turnover	766.21	513.03
Profit/(Loss) before interest & depreciation	83.30	26.55
Interest	13.36	156.99
Profit/(Loss) before depreciation	69.94	(130.44)
Depreciation	68.11	NIL
Net Profit/(Loss)	1.83	(130.44)

DIVIDEND

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

OPERATIONAL HIGHLIGHTS

During the year under consideration our Company achieved profit of Rs. 1.83 lacs after interest and depreciation as compared to loss of Rs. 130.44 lacs in the previous year. The Company manufactured 10311.45 sqr. mtrs. of PCBs as compared to 6744.39 sqr. mtrs. of PCBs during the previous year. In the current year 2000-2001, we expect higher turnover as compared to last year because of better order position. The establishment costs shall also be reduced because of reduction in the strength of surplus staff.

MATTER BEFORE BIFR

The Company has settled with the financial institutions for one time settlement of dues. The financial institutions have waived interest and penal interest and agreed to accept 70% of principal amount. The amount had been paid to Financial Institutions and has been kept by them in No Lien A/C. Formal approval of BIFR is awaited.

This will reduce the interest burden of the Company which will definitely improve the financial results of the Company. Subject to unforeseen circumstances, we hope that company's results for the current year will show a good profit as compared to losses suffered in the earlier years.

DIRECTORS

Mr. Swaranjit Singh Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. As his continued presence on the Board is of immense importance to the company, your Directors recommend Mr. Swaranjit Singh's re-appointment.

Mr. Veenu Pasricha was appointed as an additional director by the Board of Directors and in terms of provisions of Companies Act, 1956. He will cease to be a director at the conclusion of the Annual General Meeting. The Company has received a notice under section 257 of the Companies Act, 1956 from a member proposing his name for appointment as director, retiring by rotation.

During the year Mr. Benz Klaus ceased to be alternate Director to Mr. G.F. Grote and Dr. Franz Botzl was appointed as nominee director by Fuba Printed Circuits GMBH 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

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.

OBSERVATION OF THE AUDITORS IN THE ANNUAL ACCOUNTS

With reference to the observations contained in Auditors' Report, the Directors wish to state that Notes on Accounts are self explanatory.

INDUSTRIAL RELATIONS

The relations with the labour remained cordial during the year.

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

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.

Y2K COMPLIANCE

The Company has taken appropriate and effective steps to be Y2K compliant. So, there is no Y2K problem.

ACKNOWLEDGMENT

Your Directors take the opportunity to offer thanks to ICICI, IDBI, IFCI, DEG, Germany 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 : 25.07.2000

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, 2000.

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	14,37,163	10,11,972
- Total Amt. (Rs. in lacs)	36.00	22.97
- Rate per Unit (Rs.)	2.50	2.27
(b) Own Generation		
i) Through diesel generator		
- Units	28,338	11,509
- Units per lt. of diesel Oil	2.55	2.83
- Cost per unit (Rs.)	4.67	3.38
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

Product	Printed Circuit Boards	
Electricity consumed per sq.mtrs.	142.25 units (Rs. 362.25)	151.8 units (Rs. 346.47)

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 :

	1999-2000 (Rs. in Lac)	1998-99 (Rs. in Lac)
A. FOREIGN EXCHANGE USED		
1. Travelling expenses	Nil	4.57
2. Raw materials/chemicals/ Stores and spares etc. imported	234.61	205.14
3. Others	1.11	0.99
B. FOREIGN EXCHANGE EARNED	4.70	91.02

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 31st March, 2000.

Name of Employee	:	Mr. V.S. Bhagat
Age	:	59 Years
Designation / nature of duties	:	Chairman and Managing Director / looking after the Company's affairs
Gross remuneration	:	6,04,218
Qualification	:	B.A. (Hons.) in Economics
Experience	:	37 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, Director.
2. Remuneration received includes Gross salary, Employer's Contribution towards provident fund, medical reimbursement, cost of hiring leased / concessional leased accommodation.
3. There is no employee in the Company, who is in receipt of remuneration in excess of that drawn by Managing Director and holds himself or alongwith his spouse and dependent children, not less than two percent of the equity shares of the Company.

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, 2000 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 waiver of interest, penal interest and liquidated damages credited in the books as well as demanded, and part of Term Loans by the Term Lending Institution, on which approval of Board for Industrial and Financial Reconstruction (BIFR) is awaited.
 - (b) Note No. B(6) regarding non-amortisation of the miscellaneous expenditure upto 31st March, 1999 to the extent of Rs. 48.48 lacs (Previous year Rs. 48.48 lacs).
 - (c) 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.
 - (d) Note No. B(12) (b) regarding non provision of interest on unsecured loan taken from M/s. Bhagat Construction Company Private Limited, upto 31st March, 1999, Rs. 4.01 Lacs.
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2000 and
 - ii) In the case of the Profit and Loss Account, of the profit 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 stock 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 stock 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(12)(a) of the Notes on Account). The amount of excise duty relating to the closing stock of finished goods as at 31st March, 2000 and not considered for valuation is Rs. 11,52,622.00. Though the above method of

valuation does not affect the profit 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, 2000 are not prima facie prejudicial to the interests of the Company. Interest has been 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 principal 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, 2000 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 is no more a Sick Industrial Company after making adjustments of the concessions/waiver granted by the Term Lending Institutions which is subject to the approval of Board for Industrial and Financial Reconstruction (BIFR).

For VINAY AGGARWAL & ASSOCIATES
Chartered Accountants

Sd/-
(VINAY AGGARWAL)
Partner

Place : New Delhi
Dated : 26-06-2000

BALANCE SHEET AS AT 31ST MARCH, 2000

	SCHEDULE NO.	AS AT 31.03.2000 (Rs.)	AS AT 31.03.1999 (Rs.)
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS			
Share Capital	I	60,581,500	60,581,500
Reserves & Surplus	II	85,951	85,951
LOAN FUNDS			
Secured Loans	III	35,841,403	189,528,180
Unsecured Loans	IV	32,716,385	557,252
TOTAL		129,225,239	250,752,883
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	V	132,519,532	123,763,306
Less : Depreciation		56,672,028	—
Net Block		75,847,504	123,763,306
CURRENT ASSETS, LOANS AND ADVANCES			
- Inventories	VI	25,786,129	22,786,849
- Sundry Debtors	VII	17,974,386	18,912,800
- Cash and Bank Balances	VIII	5,780,667	6,884,107
- Loans & Advances	IX	1,876,156	1,560,246
		51,417,338	50,144,002
Less : Current Liabilities and Provisions	X	9,816,406	9,065,242
Net Current Assets		41,600,932	41,078,760
Miscellaneous Expenditure (To the extent not written off or adjusted)	XI	5,123,445	5,399,363
Profit and Loss Account		6,653,358	80,511,454
TOTAL		129,225,239	250,752,883
Notes on Accounts	XXI		

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

For and on behalf of the Board of Directors

Sd/-
(VINAY AGGARWAL)
Partner

Sd/-
S.P. GUGNANI
SWARANJIT SINGH
RENU BHAGAT
Directors

Place : New Delhi
Dated : 26/06/2000

V.S. BHAGAT
Chairman & Managing Director

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2000**

	SCHEDULE NO.	YEAR ENDED 31.03.2000 (Rs.)	YEAR ENDED 31.03.1999 (Rs.)
INCOME			
Sales		76,620,696	51,302,841
Other Income		309,648	2,136,710
Increase/(Decrease) in Stock	XII	4,457,711	(429,931)
		<u>81,388,055</u>	<u>53,009,620</u>
EXPENDITURE			
Materials Consumed	XIII	42,110,644	28,505,999
Excise Duty		10,552,986	6,771,923
Manufacturing Expenses	XIV	4,104,654	2,532,989
Employees Remuneration & Benefits	XV	7,898,208	7,048,903
Administrative Expenses	XVI	7,858,836	4,884,042
Selling Expenses	XVII	532,619	302,255
Financial Charges	XVIII	1,335,756	16,007,527
Depreciation & Write off	XIX	6,811,056	—
		<u>81,204,759</u>	<u>66,053,638</u>
Net Profit / (Loss) for the year		183,296	(13,044,018)
Less : Provision for Taxation		22,000	—
Net Profit after Tax		161,296	(13,044,018)
Add : Brought Forward Losses		<u>(80,511,454)</u>	<u>(67,467,436)</u>
		<u>(80,350,158)</u>	<u>(80,511,454)</u>
Add : Depreciation for earlier years		<u>(50,136,890)</u>	—
		<u>(130,487,048)</u>	<u>(80,511,454)</u>
Less : Provisions and Liabilities written back	XX	123,833,690	—
Balance carried over to Balance Sheet		<u>(6,653,358)</u>	<u>(80,511,454)</u>
Notes on Accounts	XXI		

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

For and on behalf of the Board of Directors

Sd/-
(VINAY AGGARWAL)
Partner

Sd/-
S.P. GUGNANI
SWARANJIT SINGH
RENU BHAGAT
Directors

Place : New Delhi
Dated : 26/06/2000

V.S. BHAGAT
Chairman & Managing Director

SCHEDULES TO BALANCE SHEET

	AS AT 31.03.2000 (Rs.)	AS AT 31.03.1999 (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
- Foreign Currency Loan	—	31,930,658
ii) From DEG, Germany		
- Foreign Currency Loan	<u>30,100,000</u>	<u>21,860,811</u>
iii) Interest Accrued & Due on above	—	100,334,074
iv) Working Capital Loan from Banks	<u>5,741,403</u>	<u>4,702,637</u>
	<u>35,841,403</u>	<u>189,528,180</u>
NOTES :		
1. Working Capital Loan provided by State Bank of Patiala is secured by a first charge by way of Hypothecation of Stock and book debt of the Company and collaterally secured by a first charge by way of an equitable mortgage of property of a Director.		
SCHEDULE-IV		
UNSECURED LOANS		
From a Company in which Directors are interested	<u>32,716,385</u>	<u>557,252</u>
	<u>32,716,385</u>	<u>557,252</u>

BCC FUBA INDIA LIMITED**SCHEDULE-V****FIXED ASSETS**

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Value as at 01-04-1999	Additions during the Year	Sale/Adjust- ment during the year	As at 31-03-2000	Upto 31-03-1999	For the Previous years	Depreciation for the year	Upto 31-03-2000	As at 31-03-2000	As at 31-03-1999
LAND (FREEHOLD)	651,061	—	—	651,061	—	—	—	—	651,061	651,061
BUILDING	8,648,928	—	—	8,648,928	—	2,040,208	274,380	2,314,588	6,334,340	8,648,928
PLANT & MACHINERY	107,984,923	8,621,218	—	116,606,141	—	45,720,003	5,791,446	51,511,449	65,094,692	107,984,923
ELECTRICAL WORKS	3,016,357	42,797	—	3,059,154	—	1,099,536	152,343	1,251,879	1,807,275	3,016,357
FURNITURE & FIXTURE	961,086	10,472	—	971,558	—	418,060	68,050	486,110	485,448	961,086
TEMP. WOODEN PARTITION	74,824	57,880	—	132,704	—	74,824	57,880	132,704	—	74,824
OFFICE EQUIPMENTS	989,141	30,305	—	1,019,446	—	235,721	48,283	284,004	735,442	989,141
STORAGE & OTHER EQUIP.	180,917	—	—	180,917	—	30,228	8,594	38,822	142,095	180,917
FIRE FIGHTING EQUIPMENT	18,774	16,883	—	35,657	—	6,802	17,775	24,577	11,080	18,774
VEHICLES	1,237,295	202,181	225,510	1,213,966	—	511,508	116,387	627,895	586,071	1,237,295
TOTAL	123,763,306	8,981,736	225,510	132,519,532	—	50,136,890	6,535,138	56,672,028	75,847,504	123,763,306
PREVIOUS YEAR	123,271,252	492,054	—	123,763,306	—	—	—	—	123,763,306	123,271,252

BCC FUBA INDIA LIMITED

	AS AT 31.03.2000 (Rs.)	AS AT 31.03.1999 (Rs.)
SCHEDULE-VI		
INVENTORIES (As certified and valued by the Management on which Auditors have relied)		
Raw material	11,910,193	14,196,677
Stores & spares	1,896,301	1,068,248
Work-in-progress	4,775,745	1,828,997
Finished goods	7,203,890	5,692,927
	<u>25,786,129</u>	<u>22,786,849</u>
SCHEDULE-VII		
SUNDRY DEBTORS (Unconfirmed, unsecured)		
Debts outstanding for a period <i>exceeding six months</i>	10,532,612	9,055,907
Less : Provisions for Doubtful Debts	(3,446,684)	—
	<u>7,085,928</u>	<u>9,055,907</u>
Other Debts	10,888,458	9,856,893
	<u>17,974,386</u>	<u>18,912,800</u>
SCHEDULE-VIII		
CASH & BANK BALANCES		
Cash in hand	29,854	27,242
BALANCE WITH SCHEDULED BANKS :		
In Current Accounts	82,413	21,633
In Term Deposits Accounts	4,325,000	5,500,000
In Share Application Money Accounts (Subject to reconciliation & confirmation)	403,832	404,282
Interest Accrued but not due	939,568	930,950
TOTAL	<u>5,780,667</u>	<u>6,884,107</u>

BCC FUBA INDIA LIMITED

	AS AT 31.03.2000 (Rs.)	AS AT 31.03.1999 (Rs.)
SCHEDULE-IX		
LOANS AND ADVANCES		
(Unsecured, unconfirmed & considered good)		
Advances recoverable in cash or in kind or for value to be received	1,122,190	852,446
Security Deposits	671,759	642,561
Staff Advances	82,207	65,239
TOTAL B	1,876,156	1,560,246

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

Sundry creditors	6,945,298	3,519,262
Expenses payable	1,120,274	814,859
Share application money refundable (subject to reconciliation with the banks)	477,932	477,932

TOTAL A

8,543,504	4,812,053
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B. PROVISIONS

Provision for Gratuity	1,064,258	787,987
Interest Accrued but not due on Term Loans	—	3,283,128
Provision for Bonus	186,644	182,074
Provision for Taxation	22,000	—

TOTAL B

1,272,902	4,253,189
------------------	------------------

TOTAL A+B

9,816,406	9,065,242
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SCHEDULE-XI**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	2,541,788
Public Issue Expenses	1,950,029	1,950,029
Right Issue Expenses	731,475	731,475
	5,399,363	5,399,363

Less : Written off during the year

275,918	—
5,123,445	5,399,363

SCHEDULES TO PROFIT & LOSS ACCOUNT

	YEAR ENDED 31.03.2000 (Rs.)	YEAR ENDED 31.03.1999 (Rs.)*
SCHEDULE-XII		
INCREASE IN STOCKS :		
CLOSING STOCKS :		
Work in Progress	4,775,745	1,828,997
Finished Goods	7,203,890	5,692,927
	<u>11,979,635</u>	<u>7,521,924</u>
LESS : OPENING STOCKS		
Work in Progress	1,828,997	1,905,961
Finished Goods	5,692,927	6,045,894
	<u>7,521,924</u>	<u>7,951,855</u>
Increase in stock	<u>4,457,711</u>	<u>(429,931)</u>
SCHEDULE-XIII		
MATERIAL CONSUMED		
Raw Material Consumed	39,624,081	27,166,622
Stores & Spares Consumed	2,486,563	1,339,377
	<u>42,110,644</u>	<u>28,505,999</u>
SCHEDULE-XIV		
MANUFACTURING EXPENSES		
Testing Charges	103,669	20,388
Freight and Cartage	259,920	175,407
Power and Fuel	3,741,065	2,337,194
	<u>4,104,654</u>	<u>2,532,989</u>
SCHEDULE-XV		
EMPLOYEES REMUNERATION & BENEFITS		
Salary & Allowances	7,091,944	6,290,860
Contribution to Provident & Other Funds	623,319	580,114
Staff Welfare	182,945	177,929
	<u>7,898,208</u>	<u>7,048,903</u>

BCC FUBA INDIA LIMITED

	YEAR ENDED 31.03.2000 (Rs.)	YEAR ENDED 31.03.1999 (Rs.)
SCHEDULE-XVI		
ADMINISTRATIVE EXPENSES		
Miscellaneous expenses	620,652	902,730
Printing & stationery	162,745	132,943
Electricity & water charges	95,791	111,064
Travelling & conveyance expenses	399,901	958,970
Vehicle running & maintenance	237,667	216,047
Insurance	177,124	205,098
Rent, rate & taxes	259,435	199,896
Filing & other fees	124,284	117,606
Office maintenance	80,165	23,025
Postage, telephone & telex	378,662	484,395
Legal and professional charges	89,950	124,900
Books & periodicals	16,336	14,403
Repair and Maintenance	1,544,443	1,122,107
Payment to Auditors :		
Audit fees	30,000	21,000
Other services	—	17,600
Loss on Sale of Vehicle	155,011	—
Directors meeting expenses	18,000	13,500
Staff recruitment	20,595	25,492
Bad Debts	1,381	193,266
Provision for Doubtful Debts	3,446,684	—
	<u>7,858,836</u>	<u>4,884,042</u>
SCHEDULE-XVII		
SELLING EXPENSES		
Business promotion	49,046	34,497
Advertisement & publicity	2,039	3,000
Packing material	127,780	60,692
Freight & cartage outward	242,988	179,934
Commission, rebate & discount on sales	108,586	16,317
Sales Tax Expenses	1,180	4,145
Sample	—	2,670
Certification Fees	1,000	1,000
	<u>532,619</u>	<u>302,255</u>
SCHEDULE-XVIII		
FINANCIAL CHARGES		
Bank Charges	411,880	308,957
INTEREST ON		
- Term Loans	—	15,480,254
- Working Capital Loans	304,084	216,375
- Unsecured Loans	619,792	—
- Others	—	1,941
	<u>1,335,756</u>	<u>16,007,527</u>

BCC FUBA INDIA LIMITED

	YEAR ENDED 31.03.2000 (Rs.)	YEAR ENDED 31.03.1999 (Rs.)
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SCHEDULE-XIX**DEPRECIATION AND WRITE OFFS :**

Depreciation for 1999-2000	6,535,138	—
Miscellaneous Expenditure Written off	275,918	—
	<u>6,811,056</u>	<u>—</u>

SCHEDULE-XX**PROVISIONS AND LIABILITIES WRITTEN BACK**

Liabilities and Provisions of earlier years written back	123,833,690	—
(As per settlement with Financial Institutions under approval from BIFR)	<u>123,833,690</u>	<u>—</u>

SCHEDULE TO BALANCE SHEET AS AT 31ST MARCH, 2000

SCHEDULE-XXI

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 overheads 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 for 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 :

- i) Letters of Credit outstanding for Raw Materials Rs. 45.80 lacs (Previous year Rs. 27.00 lacs)
- ii) A show cause notice received in the previous year from the Central Excise Authorities, Chandigarh as to why an amount aggregating to Rs. 3,73,755.99 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 Company had moved an application with Board for Industrial and Financial Reconstruction (BIFR) alongwith a rehabilitation scheme. The BIFR has considered the Company's proposal and their approval is awaited. The Company's proposal envisages that if the company pays 70% to the Financial Institutions and they waive the interest, penal interest and liquidated damages. Suitable adjustments have accordingly, been made in the Books of Accounts. The Company has paid to All Indian Term Lending Institutions according to the letter of offer received from them and the money is lying with them under No Lien Account as advised by BIFR.

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	595,903	3,48,000
Contribution to provident funds	59,590	34,800
Medical reimbursement	16,886	29,000
Lease rent	131,839	72,000
	804,218	4,83,800

5. Depreciation on Fixed Assets amounting to Rs. 5,01,36,890 (from 1992 to 1999) calculated on straight line basis at rates specified in Schedule XIV to the Companies Act, 1956 has been provided for in the accounts in the current year.
6. The Management has decided not to write off Miscellaneous Expenditure amounting to Rs. 4,847,531 upto 31-03-99 (Previous year Rs. 4,847,531) 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. 403,832 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 till date.
8. In the opinion of the Management, 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 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 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. Addition to Plant and Machinery of Rs. 82,39,189 represent the addition on account of difference in exchange rate of relevant Foreign Currency Loan from DEG Germany consequent to its conversion into Indian Rupee, the liabilities in Indian Rupee had crystallised and fallen due as per the approval given by the Board for Industrial and Financial Reconstruction (BIFR) on the 10th March, 2000.
11. Advance recoverable includes Rs. 70,683.00 being amount paid by the company for release of goods seized by excise department on the truck carrying the same not having proper documents. The company had filed a suit against the transport company in consumer disputes 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. The case has now been decided by the Consumer Forum in favour of the Company and a suit for the decree has been filed in the Lower Court of Nalagarh.
12. No provision has been made for :
 - a) Excise duty payable on finished goods manufactured but yet to be cleared from the factory as at 31st March, 2000 estimated at Rs. 11,52,622 (Previous year Rs. 9,10,868). However, there is no effect on the profit for the year on account of the above treatment of Excise Duty.
 - b) Interest payable to Bhagat Construction Company Private Limited up to 31-03-1999 amounting to Rs. 4,01,223.
13. Company has to recover a sum of Rs. 68,93,367.70 from M/s. Modern Circuits Industries (U.K.). The said Company has gone into Liquidation and a report of Liquidator is still awaited. The management estimates that atleast 50% of the amount will not be recoverable and a provision has been made in the Books of Account.
14. Other income includes Rs. 2,35,860.00 as interest (Previous year Rs. 1,82,763.00) on Short Term Deposits with Scheduled Commercial Banks.
15. Miscellaneous expenses as per Schedule XVI related to administrative expenses includes expenses pertaining to earlier year amounting to Rs. 1,26,336.00 (Previous year 4,29,781.99).
16. The personal accounts of the parties are subject to their respective confirmations.
17. **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 Circuit Boards	Square Meters	23400 (23400)	23400 (23400)	10311.45 (6744.39)

(Figures in brackets are for Previous year)

- b) Raw Materials, Stores & Spares Consumed :

	1999-2000		1998-1999	
	Qty. in Sq. Mtr.	Value (Rs. lacs)	Qty. in Sq. Mtr.	Value (Rs. lacs)
i) Laminated Sheets	15548.66	189.40	10003.30	132.18
ii) Others-Chemicals consumable stores etc.	-	231.71	-	152.88
	15548.66	421.11	10003.30	285.06

BCC FUBA INDIA LIMITED

c) Percentage of Material Consumed :

Raw Materials	1999-2000		1998-1999	
	%age	Value (Rs. lacs)	%age	Value (Rs. lacs)
i) Imported	95.37	180.63	96.57	127.64
ii) Indigenous	4.63	8.77	3.43	4.54
	100.00	189.40	100.00	132.18

d) CIF Value of Imports :

	1999-2000 (Rs. lacs)	1998-1999 (Rs. lacs)
i) Raw materials	111.59	101.82
ii) Stores, spares & chemicals	123.02	103.32

e) Expenditure in Foreign Currency :

Travelling

Rs. Nil
(Previous year 4,56,730)

Others

Rs. 1,10,727
(Previous year Rs. 99,217)

f) FOB Value of Export

Rs. 4,70,688.73
(Previous year Rs. 91,02,061.99)

g) Sales :

	1999-2000		1998-1999	
	Qty. in Sq. Mtr	Value in (Rs. lacs)	Qty. in Sq. Mtr	Value in (Rs. lacs)
Printed Circuit Board	9519.51	766.21	6703.47	513.03

h) Stock particulars of finished goods :

Unit	Opening Stock		Closing Stock	
	Qty.	Value (Rs. lacs)	Qty.	Value (Rs. lacs)
Square Mtrs.	1012.18	56.93	1804.12	72.04

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

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

20. Schedules I to XXI form an integral part of the Balance Sheet as at 31st March, 2000 and have been duly authenticated as such.

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

For and on behalf of the Board of Directors

Sd/-
(VINAY AGGARWAL)
Partner

Sd/-
S.P. GUGNANI
SWARANJIT SINGH
RENU BHAGAT
Directors

Place : New Delhi
Dated : 26/06/2000

V.S. BHAGAT
Chairman & Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2000

	Year Ending 31st March, 2000 Rs. in lacs	Year Ending 31st March, 1999 Rs. in lacs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT(LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS	1.83	(130.44)
ADJUSTMENTS FOR :		
Depreciation	566.72	Nil
Net prior period expenses	1.18	1.35
Interest	6.20	Nil
Liabilities written off	736.97	Nil
Provision for Doubtful Debts	34.47	Nil
	<u>1345.54</u>	<u>1.35</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1347.37	(129.09)
ADJUSTMENT FOR :		
Trade and other receivables	(28.24)	69.19
Inventories	(29.99)	(14.30)
Trade payables & other liabilities	7.29	(69.99)
	<u>(50.94)</u>	<u>(15.10)</u>
CASH GENERATED FROM OPERATIONS	1296.43	(144.19)
Less : Interest paid	6.20	Nil
Less : Net prior period expenses	1.18	(1.35)
Net cash from operating activities . . . (a)	1289.05	(145.54)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets/capital work in progress	(89.82)	(4.92)
Sale of fixed assets	2.26	Nil
Purchase of investments	Nil	Nil
Interest/Dividends received	Nil	Nil
Increase/decrease in misc. expenditure	2.76	2.39
Net cash used in investing activities . . . (b)	(84.80)	(2.53)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in long term borrowings	(1547.26)	153.49
Increase in working capital loans	10.39	39.79
Increase in unsecured loans	321.59	Nil
Net cash received in financing activities . . . (c)	(1215.28)	193.28
D. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		
	(11.03)	45.21
Opening cash & cash equivalents	68.84	23.63
Closing cash & cash equivalents	57.81	68.84

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, 2000 and 31st March, 1999 and found the same in agreement therewith.

For **VINAY AGGARWAL & ASSOCIATES**
Chartered Accountants

Place : New Delhi
Dated : 26/06/2000

Sd/-
(VINAY AGGARWAL)
Partner

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	2000

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	129225	Total Assets	129225
Source of Funds			
Paid-up Capital	60581	Reserves & Surplus	86
Secured Loans	35842	Unsecured Loans	32716
Application of Funds			
Net Fixed Assets	75848	Investments	-
Net Current Assets	41601	Misc Expenditure	5123
Loss	6653		

IV. Performance of Company (Amount in Rupees Thousands)

Turnover	81388	Total Expenditure	81205
Profit/Loss before Tax	183	Profit/Loss after tax	161
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	

S.P. GUGNANI
DIRECTOR

SWARANJIT SINGH
DIRECTOR

RENU BHAGAT
DIRECTOR

V.S. BHAGAT
CHAIRMAN & MANAGING DIRECTOR