

***18th
Annual Report
1999-2000***

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**BEE ELECTRONIC
MACHINES LIMITED**

BEE ELECTRONIC MACHINES LIMITED

| | | |
|--|---|--|
| BOARD OF DIRECTORS | : | Abhilasha Bhargava - Whole Time Director N.K. Patel } B. B. Bhargava } - Director |
| BANKERS | : | Canara Bank The Sakura Bank Ltd., The Bank Of Tokyo-Mitsubishi Ltd. |
| AUDITORS | : | Shankarlal Jain & Associates 12, Engineer Building 265 Princess Street, Mumbai - 400 002. |
| REGISTERED OFFICE | : | 266, Dr. Annie Besant Road, Opp. Passport Office, Worli Mumbai - 400 025. |
| UNIT - 1 : K-25, M.I.D.C. Industrial Area, Tarapur, Maharashtra. | | |
| UNIT - 2 : G-17, M.I.D.C. Industrial Area, Tarapur, Maharashtra. | | |
| UNIT - 3 : Raghunath Industrial Estate, College Road, Wadkun, Dahanu Road, Maharashtra. | | |
| UNIT - 4 : Plot No.12, Gamtalao, Dabhel Industrial Co-op. Ltd., Dabhel, Nani Daman, Daman - 396 210 | | |
| REGISTRARS & TRANSFER AGENT | : | Adroit Corporate Services Pvt. Ltd. 19, Jaferbhay Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Mumbai - 400 059. Tel. : 859 0942 / 850 3748. Fax : 859 0942 E-mail : adroits@vsnl.net |

FACTORIES**BRANCH OFFICES**

| | | |
|---|--|---|
| Andhra Pradesh 1-8-312/1, Pattigada Colony, Near Fiat Service Centre, Begumpet, Secunderabad - 500 003. | Kerala 155, Eshwar Niwas, Ground Floor, School Road, Girinagar, Cochin - 682 020. | Kanchan Sarita , 2nd Floor, Besides Lokmat Bhavan, Wardha Road Nagpur - 440 012. |
| Delhi AVG Bhavan, 2nd Floor, M-3, Connaught Place, New Delhi - 110 001. | Madhya Pradesh Krishna Apt. Flat No. G-I P.No. 13,70, Kasturba Nagar Bhopal - 462 023 | Punjab & Haryana SCO 14-15, Sector-9, 2nd Floor, Madhya Marg., Chandigarh. |
| Goa 6th Floor, Indraprastha Building, Near Govinda Building, Menezes Braganza Road, Panaji - 403 001, Goa. | H-2, Ratlam Kothi, Indore - 452 001. | Tamil Nadu New No.28/ Old. No. 13 1st Floor, Crescent Park Street T.Nagar, Chennai - 600 017 |
| Gujarat 3B, Ashok Chambers, Mitha Khali, Six Rasta, Ahmedabad - 300 006. | Maharashtra 308& 309, Champaklal Ind. Estate, 105, Sion Koliwada Road, Sion (East), Mumbai - 400 022. | Uttar Pradesh Aakriti Tower, Chamber No. 1, 19B, Vidhan Sabha Marg, Lucknow - 226 001. |
| Karnataka 433, 3rd Floor, 4th Block, Ranka Park Apartments, Lalbag Rd. Bangalore - 560 027. | 89, New Sadashiv Peth, Ganjwe Chowk, Near Bharati Vidyapeeth Bhavan, Lal Bahadur Shastri Road, Pune - 411 030. | West Bengal 10-C, Middleton Row, Calcutta - 700 071. |



Krishna Kumar Bhargava
(1924-1994)

ब्रह्माणं विदधे पूर्व वेदाश्चोपादिशत् स्वयम् ।
यो देवस्तमहं बुद्ध्वा स्वात्मबुद्धिप्रसादतः ॥
मुमुक्षुरस्मात् संसारात् प्रपद्ये शरणं शिवम् ॥

ब्रह्मा का निर्माण कर उन्हें श्रुतियों के ज्ञान से समलंकृत करने वाले तथा स्वरूप - विषयक बुद्धि को प्रकाशित करने वाले परमेश्वर तथा स्वरूप - विषयक बुद्धि को प्रकाशित करने वाले परमेश्वर शिव को जानकर मैं इस घोर संकटमय संसार - बन्धन से मुक्त होने के लिये उनकी शरण ग्रहण करता हूँ।

BEE ELECTRONIC MACHINES LIMITED**NOTICE**

Notice is hereby given that the Eighteenth Annual General Meeting of BEE ELECTRONIC MACHINES LIMITED will be held at Rotary Service Centre, Near I.B.P. Petrol Pump, S. V. Road, Malad (West), Mumbai - 400 064, on Saturday, 30th December, 2000 at 12.30 p.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2000 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri N. K. Patel who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To appoint a Director in place of Shri Bhaskar Bhargava who was appointed as an additional director of the Company by the Board of Directors and who holds office upto the date of the forth coming Annual General Meeting in accordance with Section 260, of the Companies Act, 1956 but who is eligible for appointment and in respect of whom the company has received a notice under section 257 of the Companies Act, 1956 in writing proposing his candidature for the office of Director.
5. To Consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution :-
"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 and other applicable provisions, if any, read with schedule XIII of The Companies Act, 1956, Miss Abhilasha Bhargava be and is hereby re-appointed as WHOLE-TIME DIRECTOR of the company for a period of five years w.e.f 2nd October, 1999 on the following remuneration:-
(a) Salary of Rs.5,000/- per month with power to the Board of Directors to increase the salary from time to time subject to a ceiling of Rs.15,000/- per month.
(b) Perquisites : In addition to the salary the Whole time Director shall be entitled to perquisites like Housing accomodation or House Rent allowance, maid-servant at the residence, gas, electricity, water or furnishings at residence, reimbursement of medical expenses and/or medical insurance for self and family, leave travel clubs, personal accident insurance premium and such perquisites as per the rules of the company.
(c) Notwithstanding anything contained hereinabove, where in any financial year the company has no profits or its profits are inadequate the company shall pay to the Whole time Director the above remuneration not exceeding the ceiling limit prescribed in Schedule XIII to The Companies Act, 1956.
(d) The Whole time Director shall also be entitled to following prerequisites which shall not be included in the computation of the ceiling on remuneration specified above.
(i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either in singly or put together does not exceed the taxable limits under The Income Tax Act 1961.
(ii) Gratuity payable at a rate not exceeding half a months salary for each completed year of service and :
(iii) Encashment of leave at the end of the tenure.
(e) Provision of car with driver for business of the company and telephone at residence shall not be treated as perquisites. However, car and long distance telephone calls for personal use shall be billed by the company to the Whole time Director.
Ms. Abhilasha Bhargava is interested in the above resolution.

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- b) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business at item No.4 and also item No.5 above is annexed hereto.
- c) The Register of Members and Share Transfer Books of the Company remained closed from Wednesday, the 27th September, 2000 to Saturday, 30th September, 2000 (Both days inclusive)
- d) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed / unpaid dividends upto the Dividend for 1994-95 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period are requested to claim their amount from the Registrar of Companies, Hakoba Mill Compound, Dattaram Lad Path, Kala Chowkie, Mumbai - 400 012.
- e) The Company has appointed M/s.Adroit Corporate Services Pvt. Ltd., as the registrar & Share transfer agents in place of M/s. Canbank Computer Services Ltd. Shareholders are requested to correspond with Adroit Corporate Services Pvt. Ltd., in respect of the Share held by the company.

ANNEXURE TO THE NOTICE

Explanatory Statement Under Section 173 of the Companies Act 1956.

Item No. 4:

Mr. Bhaskar Bhargava was appointed as additional Director by the Board of Directors on 2nd October, 1999. Pursuant to the provisions of Section 260 of the Companies Act, 1956, he would hold office of the Director upto the date of the forthcoming AGM of the company. The Company has received a notice alongwith a deposit of Rs. 500/- Under section 257 of the Companies Act, 1956 from a member proposing the appointment of Mr. Bhaskar Bhargava as the director of the company.

Mr. Bhaskar Bhargava is interested in the said item as it relates to his own appointment.

Item No. 5

Ms. Abhilasha Bhargava was reappointed as the Wholetime Director of the company for a period of 5 years w.e.f. 02.10.1999 on the remuneration are required to be approved by the shareholders at the General Meeting of the company.

The resolution at item no 5 of the accompanying notice is therefore proposed for your approval.

Registered Office

266, Dr. Annie Besant Road,
Worli, Mumbai - 400 025.
Dated : 18th November, 2000.

By order of the Board

Abhilasha Bhargava
Whole time Director

ANNUAL REPORT 1999-2000**REPORT OF THE BOARD OF DIRECTORS****TO THE MEMBERS,**

Your Directors present the Eighteenth Annual Report together with audited accounts for the year ended 31st March 2000.

2. FINANCIAL RESULTS

| | (RS. IN LACS) | |
|--------------------------|---------------|-------------|
| | 1999 - 2000 | 1998 - 1999 |
| Sales & Other Income | 779.68 | 1150.96 |
| Gross Loss | -155.21 | -245.09 |
| Less : Interest | 235.50 | 239.47 |
| Depreciation | 26.86 | 30.39 |
| Loss Before Tax | -417.57 | -514.95 |
| Less : Provision for Tax | NIL | NIL |
| Loss after Tax | -417.57 | -498.60 |

3. REVIEW OF OPERATIONS :

The year under report has been a difficult year for the Company. The decline in the turnover was due to the stagnant/negative growth in the industry. With the advent of the Digital era, the demand for Analog products has been on the decline. Due to severe competition and the decline in demand for Analog products, your Company had to reduce pricing for its products.

The Interest burden on stocks of brands earlier represented has also impacted the profitability. Your Company is required to maintain stocks of spares & consumable to provide After-Sales-Service to the contracts (CANON & LANIER) it has entered into with its many customers.

Your Company is also required to retain the large network of 28 offices to enable it to cater to the After-Sales-Service arrangements entered into.

Your Company has been able to achieve a turnover of Rs.7.79 Crores in the year under report.

The situation being such, all has not been a downslide. Your Company after successfully tying up with M/s. HEWLETT PACKARD for marketing and for after-sales-service for their latest technologically advanced Copiers has now been appointed as the National Distributor of M/s. Sharp Business Systems (India) Limited. The arrangement with SHARP is for marketing and after-sales-service for their Analog & Digital products besides marketing of their Notebook PC's.

Your Company's arrangement with LANIER WORLDWIDE Inc. stands renewed for a further period of 2 years. Your Company will continue to market and provide after-sales-service for LANIER's range of products.

Your Directors are hopeful that with these new arrangements in place, as well as, with the existing arrangements being renewed, the Company will be able to recover the ground lost so far.

4. DIVIDEND :

In view of unfavourable results, the Directors do not recommend dividend on the equity shares.

5. LISTING :

The equity shares of the Company are listed on Ahmedabad, Calcutta, Chennai, Mumbai and New Delhi Stock Exchanges. The Company has paid the annual listing fees for the year 2000-2001.

6. DIRECTORS :

Shri Vashisth Bhargava resigned as Director of the company on October 2nd, 1999. The Board places on record its appreciation of the valuable advice and guidance given by Shri Bhargava during his long tenure of directorship with the company.

Shri Bhasker B. Bhargava was appointed as an Additional Director by the Board on 2nd October, 1999. He would hold office upto the date of forthcoming AGM and is eligible for reappointment.

Shri. N.K. Patel would retire by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

Ms. Abhilasha Bhargava was reappointed as Whole Time Director of the Company for a period of 5 years w.e.f. 02.10.1999 necessary resolution for approval of said reappointment by the Shareholders will be proposed at the forthcoming AGM of the company.

7. REMARKS OF THE AUDITORS :

The observations in the auditors report are dealt with in notes to accounts at appropriate places and are self explanatory.

9. AUDITORS

M/s. Shankarlal Jain & Associates Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. You are requested to appoint auditors and to fix their remuneration.

10. DISCLOSURE OF SPECIFIED PARTICULARS

8(A)Particulars of employees as per Section 217 (2A) of the Companies Act, 1956, read with Companies (particulars of Employees)

BEE ELECTRONIC MACHINES LIMITED

Rules, 1975, as amended are as under :

| | | |
|---------------------------------------|--|--|
| Name & Designation | : Shri Nitin V. Suvarna Chief Operating Officer | Shri S. Venkata Krishnan General Manager(Sup. Ser.) |
| Age | : 48 years | 53 years |
| Qualification | : Post Graduate in Management | B.E (Electrical) |
| Experience | : 24 years | 28 years |
| Date of commencement of Employment | : 04.06.1999 | 11.09.1999 |
| Remuneration | : Rs.4,29,474/- | Rs.2,21,513/- |
| Particulars of Last Employment | : Hunter Douglas India Pvt.Ltd., (60 months) | Ricoh (India) Ltd., (58 months) |

- Note : a) The above employees are not related to any Director of the Company.
b) The Appointments of the above employees are contractual.

(B) Particulars under Section 217(1)(e) of the Companies Act, 1956 :

Steps are being taken to conserve energy at all levels. There was no technology absorption during the year under report. The foreign exchange earning during the year was Rs. nil and Foreign Exchange outgo was Rs.108.19 lakhs.

ACKNOWLEDGEMENT :

Your directors wish to place on record their deep appreciation of the services rendered by the officers, staff and workers of the company at all levels and for their continued dedication and loyalty. Your directors also wish to gratefully thank the Company's Bankers, Financial Institution and the various Government authorities for their continued assistance, co-operation and support. Last, but not the least, your directors acknowledge the trust and confidence that the customers and you, our shareholders, have placed in the company.

For and on behalf of the Board

Abhilasha Bhargava
Whole-Time Director

B.B. Bhargava
Director

Place : Mumbai

Date : 18th November, 2000

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ANNUAL REPORT 1999-2000**AUDITOR'S REPORT TO THE MEMBERS OF BEE ELECTRONIC MACHINES LIMITED**

We have audited the attached Balance Sheet of BEE ELECTRONIC MACHINES LIMITED as on 31st March, 2000 and also the Annexed Profit and Loss Account for the year ended on that date and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by The Central Government under of Section 227 (4A) of The Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order.
2. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
3. In our opinion proper books of accounts as required by Law have been kept by the Company so far as appears from our examination of such books.
4. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
5. In our opinion, the Balance sheet and the Profit and loss account dealt with by this report are in compliance with the Accounting Standards (AS) referred to in Section 211 (3C) of the Companies Act, 1956 except Accounting Standard -15 on retirement benefits in respect of Gratuity Liability as referred to in note no. 4
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting policies and the notes thereon give the information required by the Companies Act, 1956 in the manner so required and subject to :-

Note no. 5 regarding non provision of excise duty on finished goods Rs 262,522 being accounted on clearance basis ;

Note no. 6 regarding non provision of custom duty of Rs 87,59,506 on import of machines being accounted for on clearance basis ;

Note no. 8 regarding disclosure of overdue debentures and not shown as repayable within one year on account of which the Secured Loan is overstated by Rs 176.19 lacs ;

Note No. 9 regarding non provision of interest on devolved letters of credits amounting to Rs 5.14 lacs ;

Note no. 10 regarding unconfirmed balances of Debtors, creditors, loans and advances ;

Note No. 11 regarding payment / reimbursement of medical expenses of Rs. 899,214/- in the earlier year for the treatment of the Late Managing Director of the company ;

Note No. 12 regarding non provision of Doubtful Debts of Rs. 24,376,788/- and loans and advances of Rs. 6,395,243/-;

Note no. 13 regarding non disclosure of information in respect of overdue payments to SSI units ;

Note no. 14 regarding non provision of loss on old and slow moving stocks of Rs 466 lacs and amount being unascertained and ;

Note no. 15 regarding non compliance of Section 205C of The Companies Act, 1956 (as amended) by not depositing amount of share application money refundable.

We further inform that without considering the items mentioned for note no 4, 5, 6 and 14 of notes to the accounts, effect of which cannot be determined, had the observations made by us in note no 9 and 12 of notes to accounts been considered, the loss for the year would been Rs 73,043,462/- as against the reported figure of Rs 41,757,431/- and the debit balance in the Profit and loss account would have been Rs 43,603,477/- as against the reported figure of Rs 12,317,446/- . The information required by the Companies Act, 1956 in the manner so required give a true and fair view :

- a) In the case of the Balance Sheet of the state of affairs of the Company as on 31st March, 2000: and
- b) In the case of the Profit and Loss Account of the loss for the year ended on that date.

For Shankarlal Jain & Associates
Chartered Accountants

Rajesh Agarwal
Partner

Place : Mumbai

Date : 18th November, 2000.