

***20th
Annual Report
2001-2002***

Report  Junction.com

**BEE ELECTRONIC
MACHINES LIMITED**

BEE ELECTRONIC MACHINES LIMITED

BOARD OF DIRECTORS	:	Abhilasha Bhargava - Whole Time Director
BANKERS	:	Canara Bank The Sakura Bank 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

FACTORIES

Unit - 1 :
K-25, M.I.D.C. Industrial Area,
Tarapur, Maharashtra.

Unit - 2 :
G-17/2, M.I.D.C. Industrial Area,
Tarapur, Maharashtra.

Unit - 3 :
Raghunath Industrial Estate,
Colledge 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, 1 St Floor,
Makwana Road, Marol Naka, Mumbai - 400 059
Tel. : 859 0942/ 850 3748. Fax : 859 0942
E-mail : adroits@vsnl.net

BRANCH OFFICES

ANDHRA PRADESH
Email: abhilashahyd@netlinx.com
Service Cell: 98481 39498
Sales Cell: 98481 36965

NEW DELHI
302, Rohit House,
3rd Floor, 3 Tolstoy Marg,
New Delhi 110 001.
Email: delhi@beeelectronic.com

GOA
6th Floor, Indraprastha Building,
Near Govinda Building,
Menezes Braganza Road,
Panaji 403 001, Goa.
Email: goa@beeelectronic.com

GUJARAT
3B, Ashok Chambers,
Mitha Khali, Six Rasta,
Ahmedabad 300 006.
Email: ahmedabad@beeelectronic.com
Rajkot Cell: 9824310976

KARNATAKA
433, 3rd Floor, 4th Block,
Ranka Park Apts., Lalbagh Road,
Bangalore 560 027.
Email: bangalore@beeelectronic.com

PUNJAB & HARYANA
SCO 105, 2nd Floor,
Sector 40 - C, Madhya Marg,
Chandigarh.

TAMIL NADU
New No. 28/ Old No. 13,
1st Floor, Crescent Park St.,
T Nagar, Chennai 600 017.
Email: chennai@beeelectronic.com
Coimbatore Cell: 9894055183

KERALA
Contact No: 98462 31484

MADHYA PRADESH
Krishna Apts., Flat No. G-1,
P.B.#B-70, Kasturba Nagar,
Bhopal 462 023.
Email: bhopal@beeelectronic.com
Indore Cell: 98260 44558

MAHARASHTRA
309 Champaklal Indl. Estate,
Nr. Sion Telephone Exchange,
Sion-Koliwada Rd., Mumbai -22

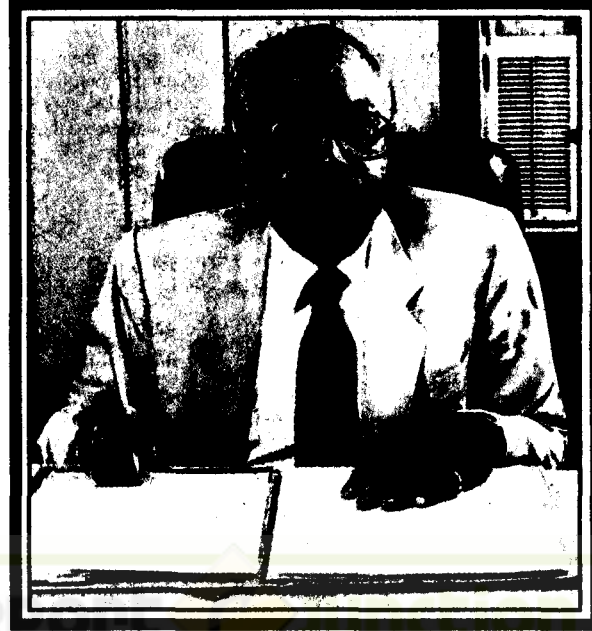
89, New Sadashiv Peth,
Parvati Bldg., Ganjwe Chowk,
Nr. Bharti Vidyapeeth Bhavan,
LB Shastri Marg, Pune 411 030.
pune@beeelectronic.com
Kolhapur Cell: 98225 99367

Nashik Cell: 98225 99363
& 98225 99362

Aurangabad Cell: 98225 99365
Aurangabad Cell: 98225 99364

Nanded Cell: 98225 99366

WEST BENGAL
10 - C, Middleton Row,
Kolkata 700 071.
email: kolkata@beeelectronic.com



Krishna Kumar Bhargava
(1924 – 1994)

*Yo yo yaam yaam tanum bhaktas shraddhayaarchitumicchati,
Tasya tasyaachalaam shraddhaam taameva vidadhaamyaham.
Sa tayaa shraddhayaa yuktasyaaraadhanameehate;
Labhate cha tatah kaamaan mayaiivavihitaan hitaan.*

*Whatsoever form any devotee desires to worship with
faith – that (same) faith, he engages in the worship of that
(form) and from it he obtains his desire, this being verily
Ordaigned by Me (alone)*

- Lord Krishn to Arjun (Bhagavad Gita – VII disclosure)

BEE ELECTRONIC MACHINES LIMITED**NOTICE**

Notice is hereby given that the Twentieth Annual General Meeting of BEE ELECTRONIC MACHINES LIMITED will be held at Shakti Art Gallery, 1st Floor, T. K. Kotecha Estate, Malad (West), Mumbai - 400 064 on Thursday 28th November, 2002 at 11.30 A.M. to transact the following business.

ORDINARY BUSINESS

- (1) To receive, consider and adopt the Balance Sheet as at 31st March 2002 and the Profit and Loss Account for the year ended on that date and reports of the Directors and Auditors thereon.
- (2) To appoint a Director in place of Mr. Bhasker Bhargava 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 consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:-
 "RESOLVED THAT in supersession of the resolution passed at the fourteenth Annual General Meeting of the Company held on 30th September, 1996, the Board of Directors be and is hereby authorized in accordance with Section 293 (1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 to borrow any sum or sums of money from time to time at its discretion for the purpose of the business of the company, which together with the monies already borrowed by the company (apart from the temporary loans obtained by the company's bankers 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 purpose, provided that the total amount so borrowed shall not at any time exceed the limit of Rs. 30 Crores (Rupees Thirty Crores Only).

NOTES

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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 register of members and the Share Transfer book of the Company remained closed from Thursday, the 26th September 2002 to Monday, 30th September 2002 (Both days inclusive).
- c) Pursuant to Section 205A of the Company Act, 1956, all unclaimed / unpaid dividends for the year 1995-1996 onwards will be transferred to the Investor Protection Fund after 7 years from the date they became payable. Shareholders who have not encashed the dividend warrants for the said period are requested to claim their amount from the Company as no claim shall lie against the company or the Government after transfer of the said amount to the Investor Protection Fund.
- d) The Shares of your Company are available for dematerialisation from 15th September, 2001. The ISIN number allotted to the Company by NSDL & CSDL authorities is INE038E1014. Shareholders are requested to get their Shares dematerialised.

By order of the Board

Abhilasha Bhargava
Whole Time Director

Registered Office:

266 Dr. Annie Besant Road,
Opp. Passport Office,
Worli, Mumbai - 400 025.

Dated : 28th October, 2002

Annexure to Notice

Explanatory Statement under Section 173 of The Companies Act, 1956.

Item No 4.

As per the provisions of Section 293(1)(d) of the Companies Act, 1956 the Board of Directors of a Public Company cannot, except with the consent of such public company, in general meeting, borrow money in excess of the paid up capital of the Company and its free reserves. The Company at the 14th Annual General Meeting held on 30th September, 1996, passed an ordinary resolution under section 293(1)(d) of the Companies Act, 1956, authorizing the Board of Directors of the company to borrow money in excess of the paid up capital of the company and its free reserves upto RS 25 crores. The Company is registered as a sick industrial company and may need to raise additional funds for rehabilitation of the Company. It is therefore considered appropriate to increasing the borrowing power of the Board upto a limit of RS 30 crores and hence a resolution at item no 4 of the accompanying notice is proposed for approval of the shareholders. The Directors commend the same for approval. None of the Directors of the company are, in any way concerned or interested in the resolution.

By order of the Board

Abhilasha Bhargava
Whole Time Director

Registered Office:

266 Dr. Annie Besant Road,
Opp. Passport Office,
Worli, Mumbai - 400 025.

Dated: - 28th October, 2002

Annual Report 2001-2002**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2002**

Dear Members,

Your Directors submit their Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2002.

1. FINANCIAL RESULTS:

Your Company recorded the following results for the Financial Year ended 31st March, 2002.

(Rs. In Lakhs)

	2001-2002	2000-2001
Sales & Other Income	764.80	698.55
Gross Loss	126.51	185.58
Add: Interest	239.07	234.44
Depreciation	23.10	29.67
Loss before tax	388.68	449.69
Less: Provision for tax	NIL	NIL
Loss after tax	388.68	449.69

2. REVIEW OF OPERATIONS:

The Financial year 2001-02 reflected an all round economic slow down impacting overall Industrial growth in the country. However, for your Company, the year was fundamentally geared towards consolidating the business and freeing capital from unproductive deployment. The Company instituted a number of initiatives directed at better working capital management including reduction in excess trade inventories, improvement in accessibility to customers through virtual office points, improvement in trade receivable cycle as well as adopting a performance based pay scale module.

3. SICK INDUSTRIAL COMPANY:

The Company has been registered by BIFR as the Sick Industrial undertaking on 6th March, 2002.

4. LISTING:

The equity shares of the Company are listed on Ahmedabad, Kolkata, Chennai, Mumbai and New Delhi Stock Exchanges. The Company has paid the annual listing fees for the year 2002-03.

5. DIRECTORS:

Mr. Bhasker B. Bhargava would retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

6. REMARKS OF THE AUDITORS:

The observations in the Auditors Reports are dealt with in the notes to accounts at appropriate places and are self explanatory. The Management has made and is making efforts to recover the doubtful debts & loans and advances, hence no provisions have been made.

7. PARTICULARS OF EMPLOYEES:

The Company does not have any employee whose particulars are required to be given under Section 217 (2A) of The Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

BEE ELECTRONIC MACHINES LIMITED

8. CORPORATE GOVERNANCE

As required under clause 49 of the Listing Agreement, your company is required to implement Corporate Governance by 31st March, 2003. Steps have been taken for compliance of all the provisions as per the provisions of the Corporate Governance.

9. SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956:

As required steps are being taken to conserve energy at all levels. There was no technology absorption during the year under review. The foreign exchange earning during the year was nil and foreign exchange outgo was Rs. 38.24 Lacs.

10. DEMATERIALISATION OF SHARES:

The shares of the Company have been dematerialized. The Members can therefore get their shares dematerialized, if they so desire.

11. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii) Appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended as at March 31st, 2002 and of the loss of the Company for the year ended on 31st March, 2002;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of The Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the Annual Accounts have been prepared on a going concern basis.

12. AUDITORS;

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

13. ACKNOWLEDGEMENT:

Our thanks are due to our valued customers, suppliers and the team members of the Company for their continued co-operation.

For and on behalf of the Board

Abhilasha Bhargava
Wholtime Director.

B. B. Bhargava
Director

Place: Mumbai

Dated: 28th October, 2002

AUDITORS REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Bee Electronic Machines Limited as at 31st March, 2002 together with the Profit and Loss Account of the Company for the year ended on that annexed thereto. These financial statements are responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether, the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

As required by the manufacturing and other Companies (Auditors Report) order, 1998 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the specified in paragraph 4 and 5 of the said order to the extent applicable to the Company.

1. Further to our comments referred to in paragraph (1) above, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
- b) In our opinion, proper book of accounts as required by law have been kept by the company, so far as appears, from our examination of the book;
- c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
- d) In our opinion, the attached Balance Sheet and loss account comply with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956, except AS-15, regarding non provision of gratuity being accounted for on cash basis, amount unascertained as referred in note No. 4 and AS-2 regarding valuation of inventories as referred to note No. 11 of notes to the accounts.
- e) On the basis of the written representation received from all the directors as on 31.03.2002 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31.03.2002 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with other notes of schedule, subject to the following;
 - Note No. 3 regarding non-provision of gratuity, amount being unascertained;
 - Note No. 4 regarding non-provision of excise duty on finished goods of Rs. 2,62,522 being accounted for on clearance basis;
 - Note No. 5 regarding non-provision of custom duty of Rs. 53,51,812;
 - Note No. 7 regarding disclosure of overdue debentures due to this, the secured loan is overstated by Rs. 213.70 lacs;
 - Note No. 8 regarding unconfirmed balance of debtors, creditors, loans, advances and secured loans from Financial Institutions and Bankers;
 - Note No.9 regarding non provision of doubtful debts of Rs. 3,39,43,416, loans and advances of Rs. 25,83,019;
 - Note No 10 regarding non-provision of penal interest of Rs. 21.69 lacs and interest on interest accrued and due of Rs. 126.29 lacs approximately; Accumulated non-provision of Interest Rs. 244.30 lacs; and
 - Note No. 11 regarding non provision of loss on old and slow moving stock of Rs. 300 lacs;

We further inform that without considering the items mentioned for Note. 3, and of notes to the accounts, effect of which cannot be determined, had the observations made by us in Note No. 9, 10, and 11 of the note to the accounts been considered, the loss for the year would have been Rs. 12,01,92,801 as against the reported figure of Rs 3,88,68,366 and the accumulated loss would have been Rs. 18,73,57,022 as against the reported figure of Rs. 9,64,20,587.

The Information required by the Companies Act, 1956 in the manner so required, give a true and fair view: -

- (1) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2002; and
- (2) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date.

For SHANKARLAL JAIN AND ASSOCIATES
Chartered Accountants

S. L. Agrawal
Partner

Place : Mumbai
Date: 28th October, 2002