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21st Annual Report 2002-2003

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BEE ELECTRONIC MACHINES LIMITED

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BOARD OF DIRECTORS	:	Ms. Abhilasha Bhargava - Whole Time Director Mr. Bhaskar Bhargava - Director Mr. N. K. Patel 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 - 400 030

FACTORIES

Unit-1 :
K-25, MIDC, Industiral Area,
Tarapur, Maharastra

Unit-2 :
G-17/2, MIDC, Industiral Area,
Tarapur, Maharastra

Unit - 3 :
Raghunath Industrial Estate,
Colleage Road, Wadkun,
Dahanu Road, Maharastra

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 - 59 Tel.: 2859 0942/28503748 Fax .: 28590942/ E-mail : adroits@vsnl.net

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BRANCH OFFICES

KARNATAKA
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Ranka Park Apts., Lalbagh Road,
Banglore 560 027.
E-mailbangalore@beeelectronic.com

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

MADHYA PRADESH
Krishna Apts., Flat No. G-1,
P. B. No. B-70, Kasturba Nagar,
Bhopal 462 023
Email : bhopal@beeelectronic.com
Indore Cell : 98269 44558

GOA
6th Floor, Indraprastha Bldg, Near
Govinda Bldg., M. B. 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

KERALA
Cell No: 98462 31484

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

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

89, New Sadashiv Peth,
Parvati Bldg., Ganjwe Chowk,
Nr. Bharati Vidyapeeth Bhavan,
LBS Marg, Pune - 411 030.
Pune@beeelectronic.com

Kolhapur Cell: 98225 99367

Nashik Cell : 98225 99362 /63

Aurangabad Cell : 98225 99365 / 64

Nanded Cell : 98225 99366

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NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of BEE ELECTRONIC MACHINES LIMITED will be held at the Registered office of the Company at 266 Dr. Annie Besant Road, Worli, Mumbai 400 030 on Friday, 31st October, 2003 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, 2003 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 Shri N. K. Patel who retires by rotation, and is eligible 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 modifications the following resolution as a Special Resolution:

"RESOLVED THAT, subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter), the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "The Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent be and is hereby accorded to the Board to delist the Company's Ordinary Shares from the Madras Stock Exchange; Delhi Stock Exchange Association Limited; The Stock Exchange, Ahmedabad and The Calcutta Stock Exchange Association without giving an exit option to the shareholders of the region where the aforesaid Stock Exchanges is situated and on the terms and conditions as may be stipulated and mutually agreed to in the best interests of the Company, after taking into account various factors such as but not limited to the incidence, impact or burden of the cost of listing fees payable to the Stock Exchanges and the volume of trading on the relevant Stock Exchange."

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NOTES

a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORMS, IN ORDER TO BE VALID, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

b) The relative explanatory statement under Section 173 of the Companies Act, 1956 in respect of the business at item No. 4 is annexed hereto.

c) The Register of members and the Share Transfer Book of the Company remained closed from Friday, the 26th September, 2003 to Tuesday, the 30th September, 2003 (both days inclusive).

By order of the Board

Abhilasha Bhargava
Whole time Director

Registered Office:
266 Dr. Annie Besant Road,
Opp. Passport Office,
Worli, Mumbai 400 030.

Dated: 4th October, 2003

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EXPLANATORY STATEMENT PURSUANT TO THE PROVISION OF SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 4 of the Agenda :

Presently the company's Equity Shares are listed on the Stock Exchanges at Chennai, Mumbai, Kolkata, Ahmedabad and New Delhi.

With the wide and extensive networking of the BSE, the investors have access to online dealings in the Company's Equity Shares across the country. Moreover, the Company's Ordinary Shares are one of the scrips which Securities and Exchange Board of India (hereinafter referred to as "SEBI") has specified for settlement only in demat form by all investors.

The trading of the Company's Ordinary Shares on the Stock Exchange at Chennai, Kolkata, Ahmedabad and New Delhi (hereinafter referred to as "the said Stock Exchanges") is negligible. The annual recurring listing fees paid to the said Stock Exchanges. do not now offer commensurate benefits to the Company's/ its investors in the changed scenario of the nationwide trading terminals set up by the BSE. The continued listing on the said Stock Exchanges is not considered necessary. It would further contribute to reduction in administrative costs/efforts of the Company. Therefore, the Board of Directors, at its meeting held on August 01, 2003 has decided to apply for the voluntary delisting of the Company's Ordinary Shares from the said Stock Exchanges.

The proposed voluntary delisting of the Company's Ordinary Shares from the said Stock Exchanges will not adversely affect the interest of any investors including that of the Members located in the region where the said Stock Exchange is situated. Pursuant to the SEBI (Delisting of Securities) Guidelines 2003, it is now proposed to seek the Members' approval by way of a Special resolution for the voluntary delisting of the Company's Ordinary Shares from the said Stock Exchange as set out in the Resolution. In terms of the said guidelines, as the Company's Ordinary Shares shall continue to remain listed on the BSE, no Exit Option is required to be offered to the shareholders.

The proposed delisting is in the interest of the Company and the Board commends the Resolution for acceptance by the Members.

None of the Directors of the Company is concerned or interested in the said Resolution.

By order of the Board

Abhilasha Bhargava
Whole time Director

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Registered Office:
266 Dr. Annie Besant Road,
Opp. Passport Office,
Worli, Mumbai 400 030.

Dated: 4th October, 2003

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DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2003

Dear Members,

Your Directors submit their Report together with the Audited Accounts of the Company for the Financial year ended 31st March, 2003.

1. FINANCIAL RESULTS:

(Rs. in Lakhs)

	2002-03	2001-02
Sales & Other Income	440.13	764.80
Gross Loss	159.23	126.51
Add: Interest	204.10	239.07
Depreciation	19.58	23.10
Loss before tax	382.91	388.68
Less: Provision for tax	NIL	NIL
Loss after tax	382.91	388.68

2. OPERATIONS:

The Company has achieved the sales and other income of Rs 440.13 lacs against Rs.764.80 lacs reported last year. There was a loss after tax at Rs.382.91 during the year under review as compared to Rs.388.68 Lakhs reported during the previous year.

3. SICK INDUSTRIAL COMPANY:

The Company's application for Registration as a Sick Industrial Undertaking is before the Hon'ble BIFR.

4. LISTING:

The Company's Equity Shares are listed on Ahmedabad, Kolkata, Chennai, Mumbai and New Delhi Stock Exchanges. The Company has paid the annual listing fees of Mumbai stock exchange for the year 2002-03.

5. DIRECTORS:

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

6. REMARKS OF THE AUDITORS:

The observations in the Auditor's Reports are dealt with in the note 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.

8. CORPORATE GOVERNANCE:

As required under Clause 49 of the Listing Agreement, your Company was required to implement Corporate Governance by 31st March, 2003. The Company has taken necessary steps to comply with all the provisions of Corporate Governance to the extent possible. However since the Company has been un-successful in identifying additional non-executive & independent directors to join the Board of Directors of the Company, the Committees so formed consist of the Board of Directors on the present strength of the Board.

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

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.5.37 lacs.

DIRECTORS RESPONSIBILITY STATEMENT:

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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, 2003 and of the loss of the Company for the year ended March 31st, 2003.

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.

10. DELISTING OF SHARES:

The equity shares of the Company are, at present listed on the Stock Exchanges at Stock Exchanges at Chennai, Mumbai, Kolkata, Ahmedabad and New Delhi. The shares of the Company are compulsorily traded in dematerialized form.

The attention of the members is drawn to item no. 4 of the Notice of the Annual General Meeting and the Explanatory Statement attached thereto, whereby the Company proposes to delist its Equity Shares from Stock Exchanges at Chennai, Kolkata, Ahmedabad and New Delhi. With the wide and extensive networking of centers of the BSE, the investors have access to online dealings in the Company's shares across the country. The trading volumes of the Company's equity shares on Stock Exchanges at Chennai, Kolkata, Ahmedabad and New Delhi are negligible.

The Board of Directors has, therefore decided to apply for the voluntary delisting under SEBI (Delisitng of Securities), Guidelines, 2003, of the Company's equity shares from Stock Exchanges at Chennai, Kolkata, Ahmedabad and New Delhi. Since the equity shares are continued to be listed on the Stock Exchange, Mumbai no exit option is required to be offered to the shareholders of the region where the Stock Exchanges at Chennai, Kolkata, Ahmedabad and New Delhi are situated. The delisting of the Company's equity shares from the Stock Exchange at Chennai, Kolkata, Ahmedabad and New Delhi will not adversely affect the interest of any investors including that of the members of the Company located in the region of Chennai, Kolkata, Ahmedabad and New Delhi .

11. 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.

12. ACKNOWLEDGEMENT:

Your Director's appreciate their customers, suppliers and our employees, for continued co-operation.

For and on behalf of the Board

Abhilasha Bhargava
Whole time Director

Bhasker B Bhargava
Director

Place: Mumbai
Date: October 4, 2003

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CORPORATE GOVERNANCE REPORT

I The Corporate Governance Code:

The Company believes that Corporate Governance provides a structure through which the objectives of the company are set. The means for achieving and monitoring performance are determined. Also;

- long term value of the enterprise is maximized;
- the business complies with legal and regulatory frameworks; and
- fosters better value to shareholders and stakeholders and the society at large

The Company creates an environment for the efficient conduct of the business and to enable management to meet its obligations to all its stakeholders, including amongst others, shareholders, customers, employees and the community in which the Company operates.

II Board of Directors ("Board") :

The Board comprises of three Directors of whom one director holds an executive position and the other two are non-executive Directors. The Executive Director is part of the Promoter Group.

a) Composition of the Board:

Name of the Director	Status
Shri N. K. Patel	Non Executive Director – Independent
Shri Bhasker B. Bhargava	Non Executive Director – Independent
Ms. Abhilasha Bhargava	Whole time Director

b) Board meetings :

The Board meetings of the Company are usually held at the Registered Office of the Company at Mumbai. The notice confirming the meetings and the Agenda for the meetings are sent atleast seven days in advance to the Directors of the Company. The Senior Management team is invited to make presentations and submit reports on operations in the Board meetings, as required. The Board meets atleast once at the close of the quarter to review the quarterly performance and financial results of the Company.

c) Number of Board meetings held during the year:

In the period from April, 2002 to March, 2003, the Board of Directors met 6 (six) times on the following dates:-

Sr. No.	Date of Meeting	Board strength	No. of Directors present
01	30th April, 2002	3	2
02	31st July, 2002	3	2
03	28th October, 2002	3	2
04	31st October, 2002	3	2
05	28th November, 2002	3	2
06	29th January, 2003	3	2

d) Attendance of Directors at the Board meeting and the last AGM:

Name of the Director	No. of Board meetings held	No. of Board meetings attended	Attendance at the last AGM	No. of Directorships in other Boards as on 31.03.03	No. of memberships in other Board committee's as on 31.03.03
Shri N. K. Patel	6	0	Absent	5	0
Shri Bhasker B. Bhargava	6	6	Present	3	0
Ms. Abhilasha Bhargava	6	6	Present	6	0

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The particulars of Director who is proposed to be reappointed at this AGM, are given as required pursuant to Clause 49 of this Listing Agreement.

Name : Mr. N. K. Patel
Qualification : B. Com.
Expertise : Industrialist
Other Directorship : 05
Other Memberships of Committee : Nil

III Committees of Directors:

Non-Executive/ Independent Directors provide guidance to operating management on policy matters as well as in the monitoring of actions of operating management. The involvement is formalized through constitution of designated committees of the Board. The Committees are intended to provide regular exchange of information and ideas between the Non-Executive Directors and the operating management. The Board has accordingly constituted 3 (three) Committees which comply with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and the applicable provisions of The Companies (Amendment) Act, 2000.

a) Audit Committee:

Composition of the Audit Committee -

The Audit committee comprises of the following members of the Board:

- Shri N. K. Patel, Non Executive Independent Director
- Shri Bhasker B. Bhargava, Non Executive Independent Director
- Ms. Abhilasha Bhargava, Whole time Director

The Chairperson of the Audit Committee is Shri Bhasker B Bhargava.

Number of Committee meetings held in the year -

During the year April 1st, 2002 to March 31st, 2003, the Audit Committee met 5 (Five) times on the following dates :-

Sr. No.	Date of Meeting	Committee Strength	No. of members present
01	30.04.02	3	2
02	31.07.02	3	2
03	28.10.02	3	2
04	28.11.02	3	2
05	29.01.03	3	2

Attendance of members at the Audit Committee meeting –

Name of the Member	No. of Committee meetings held	No. of Committee meetings attended
Shri N. K. Patel	5	0
Shri Bhasker B. Bhargava	5	5
Ms. Abhilasha Bhargava	5	5

Terms of reference -
The terms of the reference to the Audit Committee cover the matter specified under Clause 49 of the Lisiting Agreement as well as in Section 29A of the Companies Act, 1956.

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b) **Remuneration Committee:**

Composition of the Remuneration Committee –

- The Remuneration Committee comprises of all 3 (three) members of the Board.

Number of committee meetings held in the year –

During the year April 1st, 2002 to March 31st, 2003, the Remuneration Committee met on one occasion i. e. on February 15th, 2003.

Attendance of members at the Remuneration Committee meeting –

Name of the Member	No. of Committee meetings held	No. of Committee meetings attended
Shri N. K. Patel	1	0
Shri Bhasker B. Bhargava	1	1
Ms. Abhilasha Bhargava	1	1

Terms of reference -

To fix the remuneration payable to managerial personnel and such other matters as maybe entrusted to them from time to time.

Presently the Non-Executive Directors of the Company are not paid any sitting fees for attending the Board meetings.

The details of remuneration paid/ payable to the Directors during the financial year 2002-03 are as under:-

S. No.	Name of Director	Remuneration paid during the year 2002-03			
		Salary	P.F.	Perquisites	Sitting Fees
	Whole time Director				
1	Abhilasha Bhargava	84,000	7,200	Nil	Nil
	Non Executive Director				
1	Bhasker B Bhargava	Nil	Nil	Nil	Nil

Remuneration Policy –

The remuneration policy is directed towards rewarding performance. It takes into account Company" results, the grade and the position held by the incumbent concerned and his/ her overall performance. The Company does not have a scheme for grant of Stock Options.

c) **Shareholders' Information & Investors' Grievance Committee:**

Composition -

The Shareholders' committee consisting of 3 members has been formed to specifically look into the redressal of shareholders and investor complaints like transfer of shares, non- receipt of Balance Sheet, etc., under the Chairmanship of Non Executive Independent Director, Shri Bhasker B. Bhargava. The Board has appointed Mr. Umesh R. Phalorh, Chief Financial Officer as the compliance officer.

Number of complaints received/ solved/ pending -

During the year ended March 31st, 2003, no complaints were received for non-receipt of Annual report, diviend of delay in transfer of shares etc.

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