

25th
Annual Report
2006-2007

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**BEE ELECTRONIC
MACHINES LIMITED**

Board of Directors

Ms. Abhilasha Bhargava Whole time director
Mr. Bhasker Bhargava Director
Mrs. Karuna Kotian Shaikh Director

Bankers

Canara Bank
Standard Chartered 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:
G-17 / 2, MIDC Industrial Estate
Tarapur, Maharashtra

Unit 2:
Raghunath Industrial Estate
College Road, Wadkun,
Dahanu Road, Maharashtra

Unit 3:
Plot no 12, Gamtalao,
Dabhel Industrial Estate,
Dabhel, Nani Daman,
Daman 396210

Registrars and Share transfer agent

Adroit Corporate Services Ltd
19, Jaferbhai Industrial Estate,
Makwana Road, Marol naka,
Mumbai 400 059

BEE ELECTRONIC MACHINES LIMITED**NOTICE**

Notice is hereby given that the Twenty fifth 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 Saturday, 29th September, 2007 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, 2007 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 Ms. Abhilasha Bhargava 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.

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 Register of members and the Share Transfer Book of the Company remained closed from Wednesday, the 26th September 2007 to Saturday, the 29th September 2007 (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: 28th August, 2007

DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2007

Dear Members,

Your Directors submit their Report together with the Audited Accounts of the Company for the Financial year ended 31st March, 2007.

1. FINANCIAL RESULTS:

	(Rs. in Lakhs)	
	2006-07	2005-06
Sales & Other Income	77.40	99.91
Gross Loss	53.27	323.14
Depreciation	16.45	16.73
Loss before tax	69.72	339.87
Less: Tax	0.30	0.53
Loss after tax	70.02	340.30

2. OPERATIONS:

The Company has achieved the sales and other income of Rs 77.40 lacs against Rs.99.91 lacs reported last year. There was a loss after tax at Rs. 70.02 lacs during the year under review as compared to Rs.340.30 Lacs reported during the previous year.

3. SICK INDUSTRIAL COMPANY:

The Company is declared as a Sick Industrial Undertaking by the Hon'ble BIFR.

4. LISTING:

The Company's Equity Shares is listed on Mumbai Stock Exchange. The Company has paid the annual listing fees upto the year 2004-05.

5. DIRECTORS:

Ms. Abhilasha Bhargava retires 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, 2007. 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-

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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 also nil

10. **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, 2007 and of the loss of the Company for the year ended March 31st, 2007.
- 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.

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:**

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

For and on behalf of the Board

Abhilasha Bhargava
Whole time Director

Bhasker B Bhargava
Director

Place: Mumbai

Date: August 28, 2007

Report on Corporate Governance

Pursuant to Clause 49 of the listing agreement, a report on Corporate Governance is given below

A. MANDATORY REQUIREMENTS

1. Company's Philosophy on Code of Governance
The Company's philosophy of corporate governance is aimed at assisting the top management of the company in the efficient conduct of its business and in meeting its obligations to shareholders.
2. Board of Directors

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
Smt Karuna Kotian Shaikh	Non executive Director - Independent
Shri Bhasker B Bhargava	Non executive Director - Independent
Ms. Abhilasha Bhargava	Wholetime 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 7 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 2005 – March 2006, the Board of Directors met 5 (five) times on the following dates:

Sr. no	Date of the meeting	Board Strength	Directors present
1	29th April, 2006	3	3
2	31 st July, 2006	3	3
3	28 th August, 2006	3	3
4	31st October, 2006	3	3
5	31st January, 2007.	3	3

d) Attendance of Directors at the Board Meetings 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	No of committees (other than Bee Electronic Machines Limited) in which he is a member
Smt Karuna Kotian Shaikh	5	5	Present	0	0
Shri Bhasker B Bhargava	5	5	Present	3	0
Ms Abhilasha Bhargava	5	5	Present	5	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	:	Ms Abhilasha Bhargava
Qualification	:	B.Com FMBA
Expertise	:	Legal and Administration
Other Directorship	:	5
Other memberships of committee	:	Nil

3) 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 formalised 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 three committees that 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 Karuna Kotian Shaikh, Non Executive Independent Director
- Shri Bhasker B Bhargava, Non Executive Independent Director
- Ms Abhilasha Bhargava, Wholetime Director

The Chair person of the Audit committee is Shri Bhasker B Bhargava

Number of Committee meetings held during the year

During the year April 2006 to March 2007, the audit committee met 5 (five) times as follows

Sr. no	Date of the meeting	Board Strength	Directors present
1	29th April, 2006	3	3
2	31 st July, 2006	3	3
3	28 th August, 2006	3	3
4	31st October, 2006	3	3
5	31st January, 2007	3	3

Attendance of the members at the Audit Committee Meeting

Name of the Member	No. of Committee meetings held	No. of Committee meetings attended
Smt Karuna Kotian Shaikh	5	5
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 listing agreement as well as in Section 29A of The Companies Act, 1956

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 2006 to March 2007, the remuneration committee met on one occasion i.e on 31st January, 2007.

Attendance of members at the remuneration committee meeting

Name of the Member	No. of Committee meetings held	No. of Committee meetings attended
Smt Karuna Kotian Shaikh	1	1
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 may be entrusted to them from time to time

The details of remuneration paid / payable to the Directors during the financial year 2006-07 are as under

Sr. No	Name of the Director	Salary	EPF	Sitting fees
1	Ms. Abhilasha Bhargava Wholetime Director	84,000	7,200	Nil

Remuneration Policy

The remuneration policy is directed towards rewarding performance. It takes into account company's 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 and Investors Grievance Committee**Composition**

The Shareholders Committee consisting of three members has been formed to specifically look into the redressal of Shareholders and investor complaints like transfer of shares, change of address, etc; under the Chairmanship of Non Executive Independent Director, Shri Bhaskar 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, 2007, no complaints were received for non-receipt of Annual report, delay in transfer of shares etc;.

BEE ELECTRONIC MACHINES LIMITED**4) General Body Meetings:**

Location and time of last three Annual General Meeting and Extraordinary General Meetings of the Company:

FY	Date	Location of the meeting	Time
2003-04	31-Dec-04	266, Dr. Annie Besant Road, Worli, Mumbai 400 030	11.30 am
2004-05	30-Sep-05	266, Dr. Annie Besant Road, Worli, Mumbai 400 030	11.30 am
2005-06	30-Sep-06	266, Dr. Annie Besant Road, Worli, Mumbai 400 030	11.30 am

5) Disclosures:

Disclosure on materially significant related party transactions i.e transactions of the company of material with its promoters, the directors the management, their subsidiaries or relatives, etc. that may have material conflict with the interest of the company at large.

Details are provided in Note No.14 under Section 15 to the Notes forming part of nature, the accounts in accordance with provisions of Accounting Standard 18.

Details of non-compliance by the company, penalties strictures imposed on the company by Stock Exchange or SEBI or any Statutory Authorities on any matter related to capital markets during the last 3 years.

None in the last three years.

6) Means of communications:

Half yearly report sent to each household of share holders.

No.

Quarterly Results

As above

Any website where displayed

WWW.BSEINDIA.COM

Whether it also displays official news release. The presentation made to institutional investors or analysis.

No official news releases or presentations to institutional investors or analysis were made during the year.

Newspapers in which results are usually published

None

Whether MD & A is a part of the Annual Report

No. The Management Discussion and Analysis does not form part of this Annual Report.

7) General Shareholder information
AGM, Date, Time and Venue

29th September, 2007 at 11.30 am at 266, Dr. Annie Besant Road, Worli, Mumbai 30 April 2007 to March 2008

Financial Calendar

1st Quarter result - last week of July 2007
2nd Quarter result - last week of October 07
3rd Quarter result - last week of January 08
4th Quarter result - last week of April 08.

Date of Book closure

26th September 2007 to 29th September 2007 (both days inclusive)