

***26th
Annual Report
2007-2008***

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**BEE ELECTRONIC
MACHINES LIMITED**



Late Shri Krishna Kumar Bhargava

Founder Chairman & Managing Director

(1924 – 1994)

May God come and reside in our hearts;

May our body be the temple of God!

May He feed freely upon the harvest of our actions as the cows graze in the pasture.

May we reap the harvest of our life and dedicate all at His feet,

May we ever remain His true servants!

- Rig Veda 1.91.13

BOARD OF DIRECTORS

Ms. Abhilasha Bhargava

Ms. Karuna K Shaikh

Mr. K. Sudesh Kumar Acharya

Whole time Director

Director

Director

REGISTERED OFFICE

266, Dr. Annie Besant Road

Worli, Mumbai 400 030

BANKERS

Canara Bank

The Standard Chartered Bank Ltd.

The Bank of Tokyo – Mitsubishi Ltd.

AUDITORS

Shankarlal Jain & Associates

12, Engineer Building,

265 Princess Street, Mumbai 400 002

REGISTRARS & TRANSFER AGENTS

Adroit Corporate Services Pvt. Ltd.

19, Jafferbhoy Industrial Estate, 1st Floor,

Makwana Road, Marol Naka, Mumbai 400 059

Tel: 2859 0942/ 2850 3748; Fax: 2859 0942

Email: adroits@vsnl.net

FACTORIES

Unit – 1:

G-17, MIDC Industrial Area

Tarapur

Maharashtra

Unit – 3:

Raghunath Industrial Estate

College Road, Wadkun

Dahanu Road, Maharashtra

Unit - 2

Plot No.12, Gamtalao

Dabhel Industrial Co-op. Ltd., Dabhel

Nani Daman, Daman 396 210

BEE ELECTRONIC MACHINES LIMITED

NOTICE

Notice is hereby given that the Twenty Sixth 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 Tuesday, September 30, 2008 at 11AM to transact the following business:

- 1) To receive, consider and adopt the Balance Sheet as at March 31, 2008 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.Karuna Kotian Shaikh, who retires by rotation and being eligible offers herself for re-appointment
- 3) To appoint Auditors for the Company 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 B. Bhargava, whose untimely death left a vacancy on the Board of the Company. Shri K Sudeshkumar Acharya was appointed as an Additional Director of the Company by the Board of Directors and he holds office upto the date of the forthcoming Annual General meeting in accordance with Section 260 of The Companies Act, 1956 and being eligible offers himself for appointment. The Company has received a Notice under Section 257 of The Companies Act, 1956 in writing proposing his candidature for the office of Director.

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- b) THE PROXIES, IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING
- c) The Register of members and the Share Transfer Book of the Company shall remain closed from Friday, the 26th September 2008 to Tuesday, the 30th September 2008 (both days inclusive).

By order of the Board

Whole time Director

Registered Office:

266 Dr. Annie Besant Road,
Worli, Mumbai 400 030.

Date: August 28, 2008

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT FOR ITEM NO. 4**

(Pursuant to Section 173(2) of The Companies Act, 1956)

Item No. 4:

Shri Bhaskar B. Bhargava, Director of the Company expired earlier this year. His sad and untimely death left a vacancy on the Board of the Company.

Shri K Sudeshkumar Acharya was appointed as an Additional Director of the Company by the Board of Directors at the meeting held on July 31, 2008 in terms of Section 260 of The Companies Act, 1956 read with Article 84 and 85 of the Articles of Association of the Company. Shri K Sudeshkumar Acharya holds office upto the date of this Annual General meeting. The Company has received a notice in writing from a member under Section 257 of The Companies Act, 1956, along with a deposit of Rs.500/- as required under that Section, signifying his intent to propose the appointment of Shri K Sudeshkumar Acharya as a Director of the Company, liable to retirement by rotation.

The Board commends the election of Shri K Sudeshkumar Acharya as Director of the Company for the approval of the Members.

Memorandum of Interest:

None of the Directors are interest in the resolution except Shri K. Sudeshkumar Acharya.

Registered office:

266 Dr. Annie Besant Road,
Worli, Mumbai 400 030

By order of the Board
Abhilasha Bhargava
Whole time Director

Date: August 28, 2008

Brief resume of the Director seeking election in the 26th Annual General meeting

Shri K Sudeshkumar Acharya was appointed as an Additional Director on the Board effective July 31st, 2008. Shri K Sudeshkumar Acharya holds a Bachelor of Engineering degree in Electronics and Telecommunications. He has more than 25 years of industrial experience. He has been associated with the Company almost since its inception.

Shri K Sudeshkumar Acharya holds 200 equity shares of the Company.

DECLARATION

The Members of Bee Electronic Machines Ltd.

This is to declare that the Code of Conduct envisaged by the Company for members of the Board and Sr. Management Personnel have been complied with by all the members of the Board and Sr. Management Personnel respectively.

Place: Mumbai

Date: August 28, 2008

Abhilasha Bhargava
Whole time Director

BEE ELECTRONIC MACHINES LIMITED**REPORT OF THE DIRECTORS**

Dear Members,

The Directors present their 26th Annual Report on the business and operations of your Company and the Audited Statement of Accounts for the financial year ended 31st March, 2008

1. FINANCIAL RESULTS:

	(Rs. in Lakhs)	
	2007-08	2006-07
Sales & Other Income	23.66	77.40
Gross Loss	6.74	63.27
Depreciation	18.06	16.46
Loss before tax	22.79	69.72
Less: Tax	0.07	0.30
Loss after tax	22.86	70.02

2. OPERATIONS:

The Company has achieved the sales and other income of Rs. 23.66 Lacs against Rs. 77.40 lacs reported last year. There was a loss after tax at Rs. 22.86 lacs during the year under review as compared to Rs. 70.02 Lacs reported during the previous year.

3. SICK INDUSTRIAL COMPANY:

The Company has been 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. Karuna Kotian Shaikh retires by rotation at the ensuing Annual General meeting and being eligible offers herself for re-appointment.

6. PARTICULARS OF EMPLOYEE:

During the year under review the Company had no employees whose particulars are required to be mentioned pursuant to the provisions of Section 217 (2A) of The Companies Act, 1956 read with the rules thereunder.

7. AUDIT OBSERVATION:

The observations in the Auditor's Reports are dealt with in the Notes to Accounts at appropriate places and are self explanatory. The Management has made and continues to make efforts to recover the doubtful debts & loans and advances hence no provisions have been made.

8. AUDITORS:

M/s. Shankarlal Jain & Associates, Chartered Accountants, present auditors of the Company retire at the forthcoming Annual General meeting and being eligible, offer themselves for re-appointment. Members are requested to appoint them as Auditors and fix their remuneration.

9. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of provision of Section 217 (2AA) of The Companies Act, 1956, your Directors state as under:-

- a) In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) The Directors have selected such accounting policies and applied them consistently and made judgments 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 fiscal year and of the profit and loss of the company for that year.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a going concern basis.

10. PARTICULARS OF ENERGY CONSUMPTION, FOREIGN EXCHANGE AND OUTGOINGS:

As required under 217 (1)(e) of The Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, the relevant information is as stated below:-

CONSERVATION OF ENERGY -

The Company's operations involve low energy consumption. Wherever possible, energy conservation measures are being implemented.

RESEARCH AND DEVELOPMENT -

The Company has no specific Research and Development programme.

FOREIGN EXCHANGE EARNINGS/ OUTGOING -

The foreign exchange earning during the year was nil and foreign exchange outgo was also nil.

11. CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a compliance report on the Corporate Governance is required to form a part of the Annual Report. The Company has taken necessary steps to comply with all the provisions of Corporate Governance to the extent possible. However as the Company has been unsuccessful 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.

12. ACKNOWLEDGEMENT:

Your Directors would like to place on record their gratitude for the co-operation and support received from various agencies of the Government, as well as the Company's Bankers, shareholders and other business associates. Our thanks are also due to the customers and team members of the Company for their continued co-operation.

For and on behalf of the Board

Abhilasha Bhargava
Whole time Director

Karuna Kotian
Director

Place: Mumbai

Date: August 28, 2008

BEE ELECTRONIC MACHINES LIMITED

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 Company's Board comprises of three Directors of whom one director holds an executive position and the other two are Independent Directors. The Executive Director is part of the promoter Group.

a) Composition of the Board (As on July 31, 2008)

Name of the Director	Status
Ms. Karuna Kotian Shaikh	Non executive Director - Independent
Mr. K. Sudeshkumar Acharya	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 in 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 2007 – March 2008, the Board of Directors met 5 (five) times on the following dates:

Sr. no	Date of the meeting	Board Strength	Directors present
1	30th April, 2007	3	3
2	31 st July, 2007	3	3
3	28 th August, 2007	3	3
4	31st October, 2007	3	3
5	31st January, 2008	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
Ms Karuna Kotian Shaikh	5	5	Present	0	0
Mr Bhasker B Bhargava	5	5	Present	3	0
Ms Abhilasha Bhargava	5	5	Present	5	0

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 Karuna Kotian Shaikh
Qualification	:	B. Com; MHRDM
Expertise	:	15 yrs + experience in handling HR and Administrative functions
Other Directorship	:	None
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 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 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 (As on July 31, 2008):

- Smt Karuna Kotian Shaikh, Non Executive Independent Director
- Shri K Sudeshkumar Acharya, Non Executive Independent Director
- Ms Abhilasha Bhargava, Wholtime Director

The Chair person of the Audit committee is Smt Karuna Kotian Shaikh

Number of Committee meetings held during the year -

During the year April 2007 to March 2008, the audit committee met 5 (five) times as follows

Sr. no	Date of the meeting	Board Strength	Directors present
1	30th April, 2007	3	3
2	31 st July, 2007	3	3
3	28 th August, 2007	3	3
4	31st October, 2007	3	3
5	31st January, 2008	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

BEE ELECTRONIC MACHINES LIMITED

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 2007 to March 2008, the remuneration committee met on one occasion i.e on 31st January, 2008.

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 Bhaskar 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 2007-08 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. However after the demise of Late Shri Bhaskar B. Bhargava, Shri K. Sudesh Kumar Acharya has been named the Chairman of the Shareholders Information and Investors Grievance Committee.

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;.