

**10th
Annual Report
2004 - 2005**



BAFFIN
ENGINEERING PROJECTS LIMITED

BAFFIN ENGINEERING PROJECTS LIMITED

DIRECTORS

Mr. Ashoka B Motha	<i>Managing Director</i>
Mr. Suresh Mavani	<i>Director</i>
Mr. Arvind Thesia	<i>Director</i>
Mr. Bankim Patel	<i>Director</i>
Mr. Mahendra Panchani	<i>Director</i>
Mr. Suresh Mutha	<i>Addl. Director</i>
Mr. Aashish Mutha	<i>Addl. Director</i>

AUDITORS

M/s. Naimish K. Shah & Co.
Chartered Accountants
Navrang Pura,
Ahemdabad - 390 007.

REGISTERED OFFICE

202, AB, Vyavasae
Urmi Dinesh Mills Road,
Akota, Vadodara -390 001

CORPORATE OFFICE

H 58, 5th Floor
Himalaya House
K.G. Marg
New Delhi -100001

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BAFFIN ENGINEERING PROJECTS LIMITED**NOTICE**

Notice is hereby given that the next Annual General Meeting of the Members of the Company will be held on Friday, 30th September, 2005 at 5.00 P.M. at the Registered Office of the Company at 202, AB, Vyavasae, Urmi Dinesh Mills Road, Akota, Vadodara 390 007 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2005 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr Bankim Patel, who retires by rotation and being eligible offers himself for re-appointment
3. To appoint a Director in place of Mr Mahendra Panchani, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorise the Board to fix their remuneration.

The present Auditors-M/s Naimish K. Shah & Co., Chartered Accountants, are holding office till the conclusion of the ensuing Annual General Meeting and do not offer for re-appointment. The Board recommends M/s Dhamija Sukhija & Co., Chartered Accountants, to be appointed as the Statutory Auditors in the larger interest of the Company.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"Resolved that Mr Suresh Mutha, who was appointed as an Additional Director of the Company to hold office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company whose office shall be liable for determination through retirement by rotation."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"Resolved that Mr Aashish Mutha, who was appointed as an Additional Director of the Company to hold office till the date of the Annual General Meeting, be and is hereby appointed as an ordinary Director of the Company whose office shall be liable for determination through retirement by rotation."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"Resolved that pursuant to the provisions of sections 198, 309, 269 and Schedule XIII of the Companies Act, 1956, and other applicable provisions, if any, consent of the Members be and is hereby given for appointment of Mr Ashoka B Motha as Managing Director of the Company, for a period of 5 years with effect from 6th January, 2005 on a monthly remuneration not exceeding Rs. 75,000/- (Rupees Seventy five Thousand only) payable by way of salary or perquisites or a combination thereof, as may be decided by the Board from time to time.

Provided that in terms of the provisions of Schedule XIII of the Act, the following perquisites shall not be included in the aforesaid remuneration:

- a. contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961,
- b. gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. encashment of leave at the end of tenure.

Resolved further that in the event of loss or inadequacy of profit in any year during the period of incumbency, the aforesaid remuneration shall be payable as the minimum remuneration.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to fix the terms and conditions of the appointment of Mr Ashoka B Motha as Managing Director of the Company and to vary the same from time to time, including those pertaining to the remuneration payable to him, within the aforesaid limit.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution."

For and on Behalf of the Board
For BAFFIN ENGINEERING PROJECTS LTD

ASHOKA B MOTH
 Managing Director

Place : Vadodara
 Date : 3rd September, 2005

BAFFIN ENGINEERING PROJECTS LIMITED

NOTES :

- A. **Appointment of Proxy :** A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting.
- B. **Corporate Members :** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- C. **Members/Proxies attending the meeting** are requested to bring their copy of Annual Report to the Meeting.
- D. **Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- E. **Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 29th September, 2005 to Friday, 30th September, 2005 (both days inclusive) for the purpose of the AGM.
- F. **Members** are requested to notify any change in their address/ mandate/ bank details immediately to the Company at its Registered Office.
- G. **Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- G. **Explanatory Statement:** Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 5 to 7 is enclosed herewith.

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

Item No. 5 & 6:

Mr Suresh Mutha and Mr Aashish Mutha were co-opted on the Board of Directors of the Company as Additional Directors to hold office until the date of ensuing annual general meeting. The Board is proposing to appoint them as ordinary directors in the ensuing AGM. Accordingly, the resolutions are placed before the members for their consideration and approval. The Board recommends the proposed resolutions for adoption in the larger interest of the Company.

Mr Suresh Mutha, Mr Aashish Mutha and Mr Ashoka B Motha are interested and concerned in the proposed resolutions at item nos. 4 & 5.

Item No. 7:

Mr Ashoka B Motha was appointed as Managing Director of the Company w.e.f. 6th January, 2005 subject to the approval of members of the Company. Brief details of Mr Ashoka B Motha are given in the report on Corporate Governance, which is enclosed with the Directors' Report.

Members' approval is required by way of an Ordinary Resolution for the appointment and remuneration of Mr Ashoka B Motha.

Mr Ashoka B Motha, Mr Suresh Mutha and Mr Aashish Mutha are interested and concerned in the proposed resolution. Your directors recommend the resolution for adoption.

For and on Behalf of the Board
For **BAFFIN ENGINEERING PROJECTS LTD**

ASHOKA B MOTH
Managing Director

Place : Vadodara
Date : 3rd September, 2005

BAFFIN ENGINEERING PROJECTS LIMITED**DIRECTORS' REPORT**

Dear Members

Your Directors take pleasure in presenting the Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2005.

FINANCIAL HIGHLIGHTS*(Amount in Rs. Lacs)*

Particulars	Financial Year ended 31st March, 2005	Financial Year ended 31st March, 2004
Total Income	445.60	331.09
Total Expenditure	439.43	330.06
Profit before tax	6.17	1.03
<u>Provision for tax :</u>		
– Current	2.20	Nil
– Deferred	0.80	Nil
Profit after tax	3.17	1.03
Transfer to Reserve	Nil	Nil
Paid-up Share Capital	1,000	1,000
Reserves and Surplus (excluding revaluation reserve)	7.31	4.14

YEAR IN RETROSPECT

During the year under review, your Company has actively evaluated various growth opportunities keeping in view its present strength and future scenario of the Telecommunication industry. To hedge against the growing competition in telecommunication industry, your Company has made substantial investment in Uniword Telecom Limited.

This year, the total income of the Company was Rs. 445.60 Lacs as against Rs. 331.09 in the previous year. The Company was able to earn profit after tax of Rs 3.17 Lacs as against Rs 1.03 Lacs in the previous year. Your Directors are putting in their best efforts to further improve the performance of the Company.

AMALGAMATION

The board of directors of your company have approved the draft scheme of amalgamation of Uniword Telecom Ltd. with Baffin Engineering Projects Ltd. the management is hopeful that the proposed scheme of amalgamation will open new vistas for the company and result in preserving the financial resources and augmenting the share capital and long term resources in the company.

MATERIAL CHANGES ETC.

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company-31st March, 2005 and the date of this Report.

DIVIDEND

In view of marginal profits earned by the Company, your Directors regret their inability to recommend any dividend.

PUBLIC DEPOSITS

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

- Conservation of Energy & Technology Absorption :** Since the Company is not engaged in any manufacturing activity, issues relating to conservation of energy and technology absorption are not quite relevant to its functioning.
- Export Activities :** There was no export activity in the Company during the year under review. However the company is seriously looking at opportunities available in the international market and the management is hopeful that the Company will achieve results in times to come.
- Foreign Exchange Earnings and Outgo :** There was no Foreign Exchange earnings and outgo during the year under review.

PARTICULARS OF EMPLOYEES

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

BAFFIN ENGINEERING PROJECTS LIMITED

SUBSIDIARY

During year under review, your company has made substantial investment in Uniword Telecom Ltd and is presently holding approximately 61% of the equity share capital of Uniword Telecom Ltd. Uniword Telecom Ltd made a net profit of Rs 365.97 Lacs during the financial year ended 31st March, 2005. The Statement as required under Section 212 of the Companies Act, 1956 in respect of Company's subsidiary Uniword Telecom Ltd is attached with the Balance Sheet. In accordance with the Accounting Standard AS-21 prescribed by 'The Institute of Chartered Accountants of India', the consolidated accounts of the Company and its subsidiary is also annexed

DIRECTORS

After the last Annual General Meeting, Mr Suresh Mutha and Mr Aashish Mutha were appointed as additional directors. In terms of the provisions of the Companies Act, 1956, they hold office until the date of the ensuing Annual General Meeting. Their appointment as ordinary Directors of the Company is placed before the Members for consideration. The Board recommends the resolutions for adoption by the members.

Mr Ashoka B Motha was appointed as Managing Director of the Company in the Board Meeting held on 6th January, 2005 for a period of five years. Members' approval for which is also required and hence necessary resolution in this respect is placed before the members for their consideration.

Mr Bankim Patel and Mr Mahendra Panchani retire by rotation and being eligible offer themselves for re-appointment. Directors recommend their re-appointment.

AUDITORS

The tenure of the office of M/s Naimish K Shah & Co, Chartered Accountants, as Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting. However, they do not offer themselves for re-appointment.

The Board recommends M/s Dhamija Sukhija & Co., Chartered Accountants, to be appointed as the Statutory Auditors in the larger interest of the Company. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed appointment has been obtained from them.

AUDITORS' REPORT

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- in preparation of the annual accounts, the applicable accounting standards have been followed;
- 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 as at 31st March, 2005 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the Directors have prepared the Annual Accounts on a going concern basis.

STOCK EXCHANGE LISTING

Presently, the shares of the Company are listed on 'The Stock Exchange, Mumbai' and on Ahmedabad Stock Exchange Association Ltd. The Company has already paid the listing fees for the financial year 2004-05.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees; support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

For and on Behalf of the Board
For **BAFFIN ENGINEERING PROJECTS LTD**

Date : 3rd September, 2005
Place: Vadodara

ASHOKA B MOTH
Managing Director

SURESH MAVANI
Director

BAFFIN ENGINEERING PROJECTS LIMITED

CORPORATE GOVERNANCE REPORT

Your Company is committed to conduct its business with high standards of integrity, ethical behavior and to adopt best governance practices and its adherence in the true spirit, at all times.

The report on Corporate Governance for the period ended 31st March 2005 as required under clause 49 of the Listing Agreement is given below

Company's Philosophy on Corporate Governance

BAFFIN ENGINEERING PROJECTS LTD believes that good Corporate Governance practices enable a company to attract and enhance financial and human capital and leverage these resources to maximize long-term shareholders' value and preserve the interests of multiple stakeholders, including society at large. The Company believes in good Corporate Governance and has made Corporate Governance a practice and a continuous process of development. The Company's philosophy on Corporate Governance envisage the attainment of high level of transparency and accountability in the functioning of the Company and conduct of business and places due emphasis on regulatory compliance.

The Company's compliance of Corporate Governance guidelines as per clause 49 of the listing agreement is as follows:

Board of Directors

Composition of the Board of the Company

The Board had an optimum combination of Executive, Non Executive and Independent Directors. As on 31st March, 2005, the Company had total 5 Directors on the Board, majority being non-executive directors. Mr Ashok Motha is the Managing Director of the Company. Mr Suresh Mutha and Mr Aashish Mutha were co-opted on the Board as additional directors.

Composition of the Board of Directors as on 31st March, 2005

S.No	Director	Category & Designation	No. of the Board Meetings Attended	Whether last Meetings Attended	No. of Outside Directorships held	No. of other Membership
1	*Ashoka B Motha	Managing Director - Executive Director	4	No	1	Nil
2	Suresh Mavani	Director	7	Yes	Nil	Nil
3	Arvind Thesia	Director	7	Yes	Nil	Nil
4	Mahendra Panchani	Director	7	Yes	Nil	Nil
5	Bankim Patel	Director	7	Yes	Nil	Nil

*Mr. Ashoka B. Motha was appointed as The Managing Director of the company with effect from 6th January 2005.

Brief Resume of the proposed Directors to be appointed by the members in the ensuing AGM are given below:

Name	Age	Qualifications	Nature of expertise	Experince	Other Directorships
Mr. Suresh Mutha	52 years	B.com	Material and logistics	30years	Manglam Associates Pvt Ltd
Mr. Aashish Mutha	32 years	B.E. (Chemical)	R&D, Production	11 years	Nil
Mr. Ashoka B Motha	55 years	B.com, LLB	Management and Administration	35 years	Uniword Telecom Ltd

The Board Meetings held during the year:

During the year under review the Board of Directors of the Company duly met for 7 (Seven) times on

Date of the Meetings

30.04.2004, 19.07.2004, 28.10.2004, 06.01.2005, 11.01.2005, 24.01.2005 and 01.03.2005

Information Supplied to the Board

The Board was supplied with all relevant information and supporting papers which were required to transact the business specified in the agenda of Board Meetings held.

BAFFIN ENGINEERING PROJECTS LIMITED

Audit Committee

Composition & Terms of Reference

As on 31st March, 2005, the Audit Committee of the Company comprises of Mr Ashoka B Mohta, Mr Suresh Mawani and Mr Arvind Thesia. However, the Audit Committee was re-constituted and presently the Audit Committee comprises of Mr Ashok Motha, Mr Suresh Mutha and Mr Aashish Mutha.

Terms of references of the Audit Committee are as per the guidelines set out in the listing agreements with the stock exchanges that inter alia includes the overview of the Company's financial reporting processes, review of the half yearly and annual financial statements, the adequacy of internal control systems, the financial and risk management policies etc.

Meetings held during the year:

During the year 6(Six) Audit Committee Meetings were held on.....

Date of the Meetings

30.04.2004, 19.07.2004, 28.10.2004, 06.01.2005, 24.01.2005 and 01.03.2005

Remuneration Committee

Composition & Terms of Reference

The Remuneration Committee of the Board comprises of Mr Ashok B Mohta, Mr Suresh Mawani and Mr Arvind Thesia. However, the Remuneration Committee was re-constituted and presently the Remuneration Committee comprises of Mr Ashok Motha, Mr Suresh Mutha and Mr Aashish Mutha.

The Committee was constituted to approve the remuneration payable to Managing Director, Whole time Director or other directors of the Company. Thus the Committee shall have the meetings as and when so required.

Details of the Directors' Remuneration for the financial year ended 31st March, 2005

Name of Director	Sitting fees	Salaries & Perquisites (In Rs.)	Commision, Bonus Exgratia	Total Amount (In Rs.)
Ashoka B Motha	Nil	1,60,000	Nil	1,60,000
Suresh Mawani	Nil	Nil	Nil	Nil
Arvind Thesia	Nil	Nil	Nil	Nil
Mahendra Panchani	Nil	Nil	Nil	Nil
Bankim Patel	Nil	Nil	Nil	Nil

Investors' Grievances Redressal Committee

Composition & Terms of Reference

As on 31st March, 2005, the Investors' Grievances Redressal Committee of the Company comprises of three non executive directors viz., Mr Suresh Mawani, Mr Bankim Patel and Mr Arvind Thesia.

However, the Committee was re-constituted and presently the Investors' Grievances Redressal Committee comprises of Mr Ashok Motha, Mr Suresh Mutha and Mr Aashish Mutha.

The Committee is constituted and functions as per the guidelines set out in listing agreements with the Stock Exchanges that inter alia include looking into the investors' complaints on transfer and transmission of shares and redressal thereof, issue of duplicate share certificates etc.

Mr Ashoka B Motha is appointed as the Compliance Officer for this purpose of Clause 47 of the Listing Agreements.

Annual General Meetings

Particulars of past three Annual General Meetings of the Company:

Year	Date	Venue	Time
2002	28.09.2002	Ahmedabad	3.00 P.M.
2003	22.09.2003	Ahmedabad	3.00 P.M.
2004	30.09.2004	Ahmedabad	3.30 P.M.

BAFFIN ENGINEERING PROJECTS LIMITED

Disclosures

- a) There was no such materially significant related party transaction with its promoters, the directors or the management, their relatives, etc. that may have the potential conflict with the interests of the Company at large.
- b) During the last three years, there were no instance of imposition of penalties, strictures by Stock Exchange or SEBI or any statutory authority on the Company on any matter related to capital markets, hence no details thereof could be provided.

Means of Communication

- The financial results of the Company and the intimation of Board Meeting, scheduled to consider the un audited quarterly results, of the Company are published regularly by the Company in widely circulated leading English and Regional language newspapers.
- Management Discussion and Analysis Report has been included in the Annual Report, which forms the part of Annual Report being sent to the shareholders of the Company.

Shareholders Information

AGM Details

Day & Date	: Friday, 30th September, 2005
Time	: 5.00 P. M.
Venue	: 202, AB, Vyavasae, Urmi Dinesh Mills Road, Akota, Vadodara 390 007
Book Closure Dates	: 29th September, 2005 to 30th September, 2005 (both days inclusive)

Calendar for the financial year ending 31st March, 2006 (Tentative)

Events	time frame
Financial Reporting for the first quarter ended 30th June, 2005	Last Week of July, 2005
Financial Reporting for the second quarter ending 30th September, 2005	Last Week of October, 2005
Financial Reporting for the third quarter ending 31st December, 2005	Last Week of January, 2006
Financial Reporting for the fourth quarter ending 31st March, 2006 (Audited)	Last Week of June, 2006

Listing on Stock Exchanges

The Company is presently listed on the following Stock Exchanges:

- The Stock Exchange Mumbai
- The Ahmedabad Stock Exchange Association Ltd.

Registrar & Share Transfer Agents

The Company had appointed M/s Sharex Dynamic India Pvt Ltd as its Common Registrar and Transfer Agent.

Particulars	M/s Sharex Dynamic (India) Pvt Ltd
Contact Person	T Sasikumar
Address	17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai 400 001
Telephone No.	022-2270 2485, 2264 1349
Fax No.	022-2264 1349

Share Transfer System

M/s Sharex Dynamic India Pvt Ltd was appointed as the Registrar and Transfer Agent of the Company to undertake both physical transfers and dematerialisation of the shares of the Company. Shares sent for transfer in physical form to the Company are registered and returned within a period of 30 days from the date of receipt, if the documents are in order. The Share Transfer Committee meets generally when the Company receives transfer proposals.

Dematerialization of Shares

The securities of the Company are required to be compulsorily traded in dematerialised form.

BAFFIN ENGINEERING PROJECTS LIMITED

Distribution of Share holding

Shareholding of Nominal Value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
(1)	(2)	(3)	(4)	(5)	
Up to 5,000		5163	24.58	19967190	2.00
5,001	10,000	5992	28.52	57962450	5.80
10,001	20,000	3790	18.04	68544060	6.85
20,001	30,000	1480	7.04	41069820	4.11
30,001	40,000	776	3.69	29361570	2.94
40,001	50,000	1242	5.91	61187100	6.12
50,001	1,00,000	1352	6.44	108876660	10.89
1,00,001 and Above		1213	5.77	613031150	61.30
TOTAL		21008	100.00	100,00,00,000	100

Market Price Data

The Company's Stock Market Data for the last financial year

Month	Company price	
	High	Low
April, 2004	3.85	3.35
May, 2004	3.96	3.89
June, 2004	4	3.85
July, 2004	3.96	3.75
August, 2004	-	-
September, 2004	3.87	3.61
October, 2004	5.26	3.94
November, 2004	8.9	4.61
December, 2004	11.05	7.6
January, 2005	7.78	4.71
February, 2005	5.91	4.05
March, 2005	6.04	3.2

Address for Correspondence

All the investor queries may be directed either to the Companies Common Registrar & Share Transfer Agents i.e. M/s Skyline Financial Services Pvt Ltd or at the Company's Investor Relation Centre as per the following details:

Particulars	Registrar & Share Transfer Agent	Company
Place of contact	M/s Sharex Dynamic India Pvt Ltd	H-58, 5th Floor, Himalaya House, K G Marg, New Delhi 110 001
Contact Person	Mr T Sasikumar	Mr Ashoka B Motha
Telephone No	022-2270 24852264 1376	011- 51518921/22
Fax No.	022-2264 1349	011- 51518920