



BHAGHEERATHA ENGINEERING LIMITED

REPORT JUNCTION.COM

29th
ANNUAL REPORT
2004 - 2005

BOARD OF DIRECTORS

Shri. V. C. ANTONY	Chairman
Shri. TOMY C. MADATHIL	Managing Director
Shri. SUNNY C. MADATHIL	Director (Projects)
Shri. R. C. BARUA	Director (Finance)
Shri. VIPUL SHAH	
Shri. P. C. CHACKO	(Till 04.11.2005)
Shri. K. C. JOSEPH	(Till 29.06.2005)
Shri. T. T. JOSEPH	(Till 29.06.2005)
Shri. JORTIN ANTONY	(Till 29.06.2005)
Prof. J. PHILIP	(Till 18.12.2004)

COMPANY SECRETARY

Mr. S. BABU SURESH

AUDITORS

M/s. P. C. Varghese & Co.
Chartered Accountants
41/804 A, Old Railway Station Road
Cochin - 682 018

BANKERS

STATE BANK OF INDIA
SYNDICATE BANK
UNION BANK OF INDIA
DENA BANK

REGISTERED & HEAD OFFICE

XII/971-B, M. K. K. Nair Road
Vazhakkala, Kakkanad P. O.
Kochi-682 030, Kerala, India
Telephone : 0484-2427105 (8 Lines)
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CONTENTS

	Page No.
Notice	2
Directors' Report	5
Report on Corporate Governance	7
Management Discussion & Analysis	13
Auditors' Report	15
Balance Sheet	19
Profit & Loss Account	20
Schedules to Balance Sheet	21
Schedules to Profit & Loss Account	24
Notes on Accounts	26
Cash Flow Statement	30
Statement Pursuant to Sec. 212	31
Accounts of Subsidiaries	33
Consolidated Accounts	41

AN ISO - 9001-2000
COMPANY

BHAGHEERATHA ENGINEERING LTD.

NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of Bhagheeratha Engineering Limited will be held at "Dewans Hall", The Avenue Centre, Panampilly Nagar, Ernakulam – 682 036 on Friday, the 16th December, 2005, at 3.00 p.m., to transact the following business:

ORDINARY BUSINESS :

1. To receive and adopt the Audited Balance Sheet as at 31st March, 2005, and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri V.C. Antony, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of next Annual General Meeting and to fix their remuneration. M/s.P.C.Varghese & Co., Chartered Accountants, Cochin, retiring Auditors being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS (Ordinary Resolution):**Appointment of Directors – Retiring by rotation:**

4. To consider and, if thought fit, to pass the following resolution, with or without modifications, as an Ordinary Resolution:

"RESOLVED THAT Shri Vipul Shah, who was appointed as an Additional Director by the Board of Directors, on 8th April, 2005 and whose term expires under Section 260 of the Companies Act, 1956 at this Annual General Meeting, and in respect of which the Company has received a notice from a member under Section 257 of the said Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office is liable to determination by retirement of Directors by rotation."

SPECIAL BUSINESS (Ordinary Resolution):

5. **Ratification of appointment of Director (Finance) and Remuneration and perquisites paid/payable to him:**

To consider and, if thought fit, to pass the following resolution with or without modifications, as an Ordinary Resolution:

"RESOLVED TO ratify the action of the Board of Directors of the Company in having nominated Shri R.C.Barua as an additional Director under Section 260 of the Companies Act, 1956 and also appointed him as Director (Finance) with effect from 21st July, 2005 subject to regularisation of his appointment and remuneration in this Annual General Meeting.

"FURTHER RESOLVED to ratify the action of the Board of Directors of the Company in having fixed the remuneration and perquisites paid and payable to Shri R. C. Barua, Director (Finance) upon the terms and conditions stipulated hereunder and that the Company do hereby accord its approval and consent under Section 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956 and all other statutory provisions

related to appointment and remuneration and benefits for the period from 21st January, 2005 to the date of 29th Annual General Meeting.

- a) Salary - Rs.25,000/- per month
- b) Perquisites, Retirement Benefits, Leave and all other benefits in accordance with the Service Rules applicable to the whole-time Directors of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform all such acts, deeds as may be considered usual or expedient to give effect to this resolution."

SPECIAL BUSINESS (Special Resolution):

6. **Re-appointment of Director (Finance):**

To consider and, if thought fit, to pass the following resolution with or without modifications, as a Special Resolution:

"RESOLVED THAT Shri R. C. Barua, who attains the age of 70 years in April, 2006 be elected as a Director and also to hold office of Director (Finance) from the date of the 29th Annual General Meeting till the conclusion of the 31st Annual General Meeting."

"FURTHER RESOLVED THAT the Company do hereby accord its approval and consent under Sections 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956 and all other sanctions and approvals as may be necessary for appointment and fixation of remuneration and perquisites to Shri R.C.Barua as Director (Finance) of the Company from the date of 29th Annual General Meeting till the conclusion of 31st Annual General Meeting upon the terms and conditions of remuneration and perquisites as set out hereunder:

- a) Salary – Rs. 50,000/- per month,
- b) Perquisites, Retirement Benefits, Leave and all other benefits will be in accordance with the Service Rules applicable to the whole-time Directors of the Company, and with authority and power to the Board of Directors of the Company (The Board) to alter and vary the terms and conditions, referred to above, from time to time in such manner and in consonance with the Rules and Regulations of the Company and the applicable provisions of law and as may be agreed to by and between the Board and Shri R. C. Barua.
- c) Salary of Chowkidar at Guwahati at Rs.1,500/- per month.
- d) Electricity charges of his residence at Guwahati.
- e) Telephone charges of his residence at Guwahati.
- f) Subscription to – India Club at Guwahati at Rs.300/- per month.
- g) He will be free to attend the meetings of Assam Polyester Co-operative Society Limited, Guwahati and also eligible to get travel expenses.

SPECIAL BUSINESS (Special Resolution):**7. Issue of Convertible Debentures:**

To consider and, if thought fit, to pass the following resolution with or without modifications, as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(3) of the Companies Act, 1956 and of the Articles of Association of the Company, consent of the Company be and is hereby given for issue of optional secured convertible debentures amounting to Rs.48.80 Crores (Rupees Forty Eight Crores and Eighty Lakhs only) to the banks under the Consortium of Bankers, as per the conditions contained in the Corporate Debt Restructuring Agreement entered into between the Company and the Consortium of Bankers upon the following terms and conditions:

- (i) Total amount of issue – Rs.48.80 Crores divided into 48.80 Lakhs of debentures of Rs.100 each at par.
- (ii) 0% interest for a period of three years.
- (iii) Date and terms of conversion of Debentures as equity shares.

The conversion of debentures as equity shares will be at the option of the banks and the option will be exercised at the end of three years. The decision on exercising this option will depend upon the market price of the shares of the Company and SEBI guidelines. A portion of the debentures will be converted as equity. The remaining will be converted as term loan or as preference share capital carrying a coupon rate of 8.25%.

- (iv) The debentures will be of the face value of Rs.100/- each and will be issued at par to banks under the Consortium of Bankers.

The said debentures will be secured by a floating charge over all the assets of the Company subject to the prior charges in favour of Banks, non banking financial companies and others."

By Order of the Board of Directors

Kochi
12th November, 2005

S. BABU SURESH
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
3. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to the Special business to be transacted at the meeting is annexed hereto.

4. Register of Members and Share Transfer Books of the Company will remain closed from 12th December, 2005 to 16th December, 2005 (both days inclusive) in connection with the Annual General Meeting.
5. Members are requested to intimate Share Transfer Agents, M/s.Integrated Enterprises (India) Limited, Kences Towers, No.1 Ramakrishna Street, T. Nagar, Chennai – 600 017, Tamil Nadu, any change in their address immediately for future communication at the correct addresses or to their respective depository participant (DP) in case the shares are held in demat form.
6. Members holding shares in physical form can avail of the Nomination facility by filing Form 2 B (in duplicate) with the company or its Share Transfer Agents. In case of shares held in demat form, the nomination has to be lodged with your Depository Participant (DP).
7. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 1998 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said fund is given below:

Financial year ended	Date of declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
31-03-1998	25-09-1998	24-09-2005	24-10-2005
31-03-1999	17-09-1999	16-09-2006	16-10-2006
31-03-2000	22-09-2000	21-09-2007	21-10-2007
31-03-2001	20-09-2001	19-09-2008	19-10-2008

The unclaimed dividend in respect of the financial year 1997-98 due for transfer on 24th October, 2005 will be transferred by due date to Investor Education and Protection Fund.

2. As per Clause 49 of the Listing Agreement with Stock Exchanges, the brief background, functional expertise of the Directors proposed for appointment/reappointment are furnished below along with details of companies in which they are Directors and the Board Committees of which they are members.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No.4**

Shri Vipul Shah was appointed as an Additional Director by the Board taking into consideration his experience in construction industry and close association with our Company.

Item No.5

The Board of Directors as per the suggested resolutions are seeking ratification of the shareholders for the appointment, remuneration and perquisites paid and payable to Shri. R. C. Barua, during the

BHAGHEERATHA ENGINEERING LTD.

period from 21st January 2005 to the date of this Annual General Meeting.

Item No.6

The Board of Directors in their meeting held on 12th November 2005 decided to re-appoint Shri. R. C. Barua as Director (Finance) with revised remuneration and perquisites suggested in the resolution. Remuneration and perquisites mentioned in the resolution are well within the limits prescribed under Sections 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956.

Except Shri R. C. Barua, Director (Finance) who is interested in his appointment and the remuneration payable to him, no other Director is concerned or interested in the said appointment or payment of remuneration.

A copy of the Service Rules for Whole-time Directors of the Company effective from 1st April, 1995 is available for inspection by the Members of the Company at the Registered Office between 9.00 a.m. to 11.00 a.m. on any working day.

This may also be treated as an abstract of the terms and conditions of appointment and remuneration payable under the Companies Act, 1956.

Item No.7

In view of the strained financial condition of the Company leading to severe cashflow shortages affecting the progress of ongoing projects, the Company decided to go in for Corporate Debt Restructuring under RBI sponsored CDR route. One of the conditions contained in Corporate Debt Restructuring scheme is to issue 0% optionally convertible debentures of face value of Rs.48.80 Crores at par a portion of which at the end of three years will be converted as equity shares at par, and the balance as term loan or as preference capital.

Necessary resolution required to increase the Authorized Capital, taking into consideration the conversion of a portion of debentures as equity shares, will be placed before the shareholders in a subsequent general meeting at the appropriate time.

None of the Directors are concerned or interested in the resolution, save and except as shareholders of the Company.

By Order of the Board of Directors

Kochi
12th November, 2005

S. BABU SURESH-
Company Secretary



DIRECTORS' REPORT

To the Members

Your Directors present the 29th Annual Report together with the Audited Statement of Accounts of the Company for the financial year 2004 - 2005.

Operating Results

The Gross income from operations during the year under review was Rs.11526 Lakhs as compared to Rs.13106 Lakhs in the previous year. The Company incurred a loss of Rs.1922 Lakhs as against a profit of Rs.93 Lakhs in the previous year.

Company's operations during the year was unsatisfactory due to the fact that unusual delay in progressing the road projects due to wide variations from contractual quantities, delay in issue of working drawing, and delay in approval and payment of variation items resulted in slow progress and idling of men and machineries leading to higher debts as well as irregular servicing of debts. These factors coupled with unprecedented rise in the price of cement and steel severely affected the cash flow which could not be improved despite negotiation with Banks and NBFC's and the Company had to consider complete financial restructuring with the help of experts.

However, despite all these efforts the Company could not avoid penal action by clients in two cases where bank guarantees were invoked and funding for the projects almost totally dried up. Your Company is seeking legal remedies in these cases as the alleged failure of the Company to progress the work as per programme was caused by reasons not attributable to your Company.

Bank guarantees invoked by the clients after the completion of the year 2004-05, amounted to Rs.40.73 Crores. In addition, the guarantee amount invoked in Oman Project where the stay obtained by the Company from the Court was vacated due to involvement of a foreign Bank by High Court amounted to Rs.2.85 Crores.

CDR Scheme

As a result of the above unforeseen liability thrust upon your Company, the management in consultation with the Consortium of Banks funding the Company had applied for restructuring of its debts under Corporate Debt Restructuring Scheme of RBI for rejuvenating the Company and a specially prepared scheme for your Company is being implemented by State Bank of India on behalf of the lenders.

Existing Projects:

The work at projects in Salem Etawah-1C, WB-III Project, Krishna Bridge Project, Almatti, Inland Water Transport Project, Kerala, Road Over Bridge Project, Calicut are in progress with funding arranged from Banks under CDR Scheme. These works are closely monitored to ensure completion of the work early. The Company's order book position as on 1st April, 2005 is Rs.29566 Lakhs, including Joint Venture with PATI of Malaysia to the extent of Rs.18167 Lakhs.

ISO 9002 Certification

The Company which had been certified ISO 9002 by M/s. Det Norske Varitas (DNV) in the year 2000 was upgraded to the new version of ISO 9001:2000 in 2002. M/s.DNV have certified the Company for the service ranges in "Civil Construction of Infrastructural and Industrial Projects". "Continual Improvement and Customer Satisfaction" are the main Objectives of this Version. Under the new ISO Version, the Surveillance Audit by the Certifying Agency is conducted once in six months.

Personnel

The Company has 875 employees out of which 380 belong to management and other staff and 495 skilled personnel employed at various project sites.

Fixed Deposits

As at the end of the year the total fixed deposits collected aggregate to Rs.355 Lakhs.

No. of deposits unclaimed and unpaid during 31.03.2005 - 1 (Rs.10,000/-)

Directors

Shri T. T. Joseph, Shri K. C. Joseph and Shri Jortin Antony resigned effective from 29th June, 2005 and Shri P.C.Chacko resigned with effect from 04.11.2005. Board places on record its appreciation for the yeoman services rendered by these directors during their tenure as directors on the Board of the Company.

In accordance with the principle of retirement of Directors by rotation, Shri V.C.Antony will retire at the ensuing Annual General Meeting and he offers himself for re-election.

The Board of Directors have decided to re-appoint Shri. R.C. Barua as Director (Finance) on revised remuneration and perquisites. Terms and conditions of his re-appointment are placed before the shareholders for information and approval.

Shri Vipul Shah was appointed by the Board as an additional director as per Section 260 of the Companies Act who continues to hold office till the date of ensuing AGM. A resolution for regularising his appointment as a director liable to retirement by rotation, is included in the notice for the Annual General Meeting.

Directors' Responsibility Statement pursuant to Section 217 (2AA) of the Companies Act, 1956.

The Board of Directors hereby confirm:

- (i) that in the preparation of the annual accounts, applicable accounting standards were followed with suitable procedure for material departure.

BHAGHEERATHA ENGINEERING LTD.

- (ii) that the Directors have selected such accounting policies and applied them consistently and 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 and of the profit or loss of the Company for that period.
- (iii) that the Directors have taken adequate and proper care for the maintenance of accounting records in accordance with the provisions of the Companies Act, 1956, safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and,
- (iv) that the Directors have prepared the annual accounts on an ongoing concern basis.

Management Discussion and Analysis Report and Report on Corporate Governance.

As required in terms of the listing agreement with Stock Exchanges, a management discussion and analysis report and a report on Corporate Governance are annexed.

Particulars of Employees:

During the year 2004 - 05 none of the employees of the Company was in receipt of remuneration in excess of the limit prescribed in Sub-section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975.

Audit Observations:

As regards observation of the auditors, attention is drawn towards note Nos. 19 and 20 of the notes to the annual accounts which are self explanatory.

Auditors

M/s P.C.Varghese & Company, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting, and being eligible for re-appointment, have offered their willingness to accept office of the Statutory Auditors, if re-appointed. They have given a certificate to the effect that the re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

Subsidiary Company

As required under Section 212 of the Companies Act, 1956, the Audited Accounts together with Directors' Report and Auditors' Report for the year ended 31st March, 2005 in respect of the subsidiary namely; Bhagheeratha Energy Controls Limited is annexed.

Bankers

The Consortium of Bankers, consisting of State Bank of India, Syndicate Bank, Union Bank of India and Dena Bank continued to extend their valuable support to the company for meeting the additional credit requirements under CDR Scheme. Your Directors place on record their sincere gratitude to the Bankers for their co-operation and confidence reposed on the Company.

Particulars pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988:

(a) Conservation of Energy

Energy conservation measures are taken in all activities of the Company by careful monitoring and implementation of suitable measures for optimizing energy consumption.

(b) Technology Absorption

On account of the nature of operations of the Company, no special efforts have been put in this regard.

(c) Foreign Exchange earnings and outgo

Total foreign exchange used and earned during the year.

	Current year Rupees in Lakhs	Previous year Rupees in Lakhs
Foreign Exchange used	Nil	613.68
Foreign Exchange earned	Nil	Nil

Acknowledgement

Your Directors thank the Government at the Centre and in the States, Financial Institutions, other Financing Agencies, Stock Exchanges, Sub-contractors and their staff, Material Suppliers, Consultants, Clients, Deposit holders and Shareholders for their continued support and co-operation. The Directors also place on record their appreciation for the services rendered by employees at all levels.

On behalf of the Board of Directors

Place: Kochi
Date: 12th November, 2005

V. C. Antony
Chairman

Annexure to the Directors' Report
REPORT ON CORPORATE GOVERNANCE

In compliance with the requirement of Clause 49 of the Listing Agreement with
Stock Exchanges, your Company submits the Annual Report of Corporate Governance

A. COMPLIANCE OF MANDATORY REQUIREMENTS:

1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance envisages the Company as a forward looking organization and believes that paying due attention to sound Corporate Governance would protect the interest of all the stakeholders.

2. Board of Directors

The Composition, Category of the Board of Directors and their attendance at the Board Meetings during the period and at the last Annual General Meeting as also the number of other directorships and committee memberships are given below:

Sl. No.	Name of Director	Category	No. of Board Meetings attended	Attendance at the last AGM	Number of Directorship in other companies*	Number of Committees in which member
1.	Shri. V. C. Antony Chairman	Promoter, Non-Executive	10	Yes	6	Nil
2.	Shri. Tomy C. Madathil Managing Director	Promoter, Executive	10	Yes	4	Nil
3.	Shri. Sunny C. Madathil Director (Projects)	Promoter, Executive	6	Yes	3	1
4.	Shri. R. C. Barua Director (Finance) (w.e.f. 21.01.2005)	Executive	1	N. A.	1	
5.	Shri. K. C. Joseph	Promoter, Non-Executive	10	Yes	2	Nil
6.	Shri. P. C. Chacko	Promoter, Non-Executive	10	Yes	2	Nil
7.	Shri. T. T. Joseph	Independent, Non-Executive	8	Yes	None	1
8.	Prof. J. Philip	Independent, Non-Executive	3	No	None	Nil
9.	Shri. Jortin Antony	Promoter, Non-Executive	6	Yes	7	Nil

*Includes directorships held in Private Limited Companies

During the year under report, the Board met 10 times i.e. on 30.04.2004, 31.06.2004, 30.06.2004, 30.07.2004, 23.08.2004, 30.09.2004, 30.10.2004, 25.11.2004, 18.12.2004 and 31.01.2005. Due to resignation of some independent directors and inability to fill up the vacancies in time, the norms on composition of the board could not be complied with during certain period of the year under report. None of the Directors of the Board are members in more than ten statutory committees and they do not act as Chairman of more than five statutory committees across all companies in which they are Directors.

3. Audit Committee

Clause 49 of the Listing Agreement lists the role of the Audit Committee. The gist of the terms of reference is as follows:

- Review of the Company's financial reporting process, the financial statement and the financial policies.
- Review of the adequacy of the internal control systems and functioning of the Internal Auditing Team.
- Discussion with the Internal and External Auditors, scope of audit including the observations of the Auditors for the financial year and a joint post audit review of the same.
- Reviewing with management the annual financial statements before submission to the Board.

An Audit Committee consisting of three Independent Directors and one promoter Director was functional during the year till 30.09.2004. On account of the resignation/ retirement of Independent Directors, Board could not reconstitute Audit Committee after 30.09.2004 in this financial year. Steps are being taken to constitute Audit Committee at the earliest by inducting Independent Directors on the Board of the Company.

4. Remuneration of Directors

Remuneration of Managing Director, Director (Projects) and Director (Finance) are determined by the Board and is subject to approval of the Company in General Meeting and such other authorities as may be necessary. While fixing the remuneration, the Board takes into consideration all relevant factors. Non Executive Directors do not draw any remuneration from the Company except commission on net profits and sitting fees.

Details of remuneration paid to whole-time Directors during the financial year ended 31st March, 2005 is given below:

(i) Wholetime Directors:

(Rs. in 000)

Name & Designation	Salary & Perquisites	Commission
Shri. Tomy C. Madathil Managing Director	534	Nil
Shri. Sunny C. Madathil Director (Projects)	359	Nil
Shri. R. C. Barua Director (Finance)	68	

(ii) Non-Executive Directors

The remuneration by way of sitting fees at Rs. 3,500/- per meeting for attending Board/Committee meetings are paid to non-executive Directors. The Non-Executive Directors are also entitled to a commission not exceeding 1% of the net profit, subject to a ceiling of Rs.5.00 Lakhs to all such Directors together in any financial year.

(Rs. in 000)

Sl. No.	Name of the Member	Sitting Fees paid (Rs.)
1.	Shri. V. C. Antony	24,500/-
2.	Shri. K. C. Joseph	24,500/-
3.	Shri. P. C. Chacko	24,500/-
4.	Shri. T. T. Joseph	35,000/-
5.	Prof. J. Philip	7,000/-
6.	Shri. Jortin Antony	3,500/-

5. Shareholders Committee :

Share Transfers are attended by the Registrar and Transfer Agents (RTA), Integrated Enterprises (India) Limited, Cochin. RTA periodically submits details of transfer/transmission proposals, which are confirmed by the Committee of the Board. Grievances Committee looks into shareholders grievances and suggests immediate steps for redressal of the complaints. During the year 58 number of letters/communications from shareholders were received regarding non receipt of share certificate after transfer, non receipt of fully paid stickers/certificates, dematerialization requests, transfer/transmission, non receipt of dividend warrants and other general queries. All the letters/communications are generally replied within 15 days from their lodgment with the Company. The number of transfers pending at the close of the financial year 2004-05 is nil.

6. General Body Meetings

Year	Date	Venue
2002	30 th September, 2002	"Versilles", Hotel Renaissance, Palarivattom, Kochi
2003	30 th September, 2003	- As above -
2004	30 th September, 2004	- As above -

No special resolution was put through postal Ballot last year and the Company does not propose to pass any special resolution through postal Ballot this year.

7. Disclosures

During the year under report, no transaction of material nature has been entered into by the Company with its Promoters, Directors, the management, its subsidiaries or their relatives which have potential conflict with the interest of the Company. Transactions with related parties are disclosed in Note to the Accounts in the Annual Report.

The Company has complied with the requirement of the stock Exchanges and SEBI on all matters related to capital market. No penalties or strictures have been imposed on the Company by Stock Exchanges/SEBI.

Secretarial Audit

A qualified Practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The said audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL.

8. Means of Communication:

The annual, half -yearly and quarterly results are regularly published in one English and one vernacular newspapers. These are also sent to the concerned Stock Exchanges in accordance with the Listing Agreement. These results are simultaneously posted on the website of the Company at www.bhagheeraindia.com. Management Discussion and Analysis is part of the Directors' Report.

9. General Shareholder Information :**Next Annual General Meeting**

Day, Date & Time	Venue
Friday, the 16 th December, 2005 at 3.00 p.m.	"Dewans Hall", The Avenue Centre Panampilly Nagar, Ernakulam-682 036