

*30th*  
*Annual Report*  
*2011-2012*

**BEE ELECTRONIC  
MACHINES LIMITED**

# BEE ELECTRONIC MACHINES LIMITED

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## Late Shri Krishna Kumar Bhargava

Founder Chairman & Managing Director

(1924 – 1994)

*“A great man is one who leaves others at a loss when he is gone!”*

*“vasamsi jirnani yatha vihaya  
navani grhnati naro 'parani  
tatha sarirani vihaya jirnany  
anyani samyati navani dehi”*

*(Bhagwat Gita: Chapter Two verse 22)*

*“Sri Krishna said: As a human being puts on  
new garments, giving up old ones, the soul  
similarly accepts new material bodies,  
giving up the old and useless ones.”*

### BOARD OF DIRECTORS

Ms. Abhilasha Bhargava	Whole time Director
Ms. Karuna K Shaikh	Director
Mr. K. Sudesh Kumar Acharya	Director
Mr. Venugopal R. Coontoor	Director
Mr. Rajendra Kumar C. Shah	Director

### REGISTERED OFFICE

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

### BANKERS

Canara Bank  
The Standard Chartered Bank Ltd.  
ARCIL

### 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, 1<sup>st</sup> Floor,  
Makwana Road, Marol Naka, Mumbai 400 059  
Tel: 2859 0942/ 2850 3748; Fax: 2859 0942  
Email: [adroits@vsnl.net](mailto:adroits@vsnl.net)

### FACTORIES

#### Unit – 1:

G-17/2, MIDC Industrial Area  
Tarapur, Maharashtra

#### Unit – 3:

Raghunath Industrial Estate  
College Road, Wadkund  
Dahanu Road, Maharashtra

#### Unit - 2

Plot No.12, Gamtalao  
Dabhel Industrial Co-op. Ltd., Dabhel  
Nani Daman, Daman 396 210

**NOTICE**

Notice is hereby given that the Thirteenth 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, September 29, 2012 at 10:30AM to transact the following business:

- 1) To receive, consider and adopt the Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon;
- 2) To appoint a Director in place of Shri K. Sudesh Kumar Acharya, who retires by rotation and being eligible offers himself 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 Additional Directors on the Board of the Company taking into consideration the need for adherence with guidelines of SEBI specified under Clause 49 – Corporate Governance under The Listing Agreement. Accordingly, Shri Venugopal R Coontoor and Shri Rajendra Kumar C Shah were appointed as Additional Directors of the Company by the Board of Directors and they hold office upto the date of the forthcoming Annual General meeting in accordance with Section 260 of The Companies Act, 1956 and being eligible offer themselves for appointment. The Company has received Notices under Section 257 of The Companies Act, 1956 in writing proposing their 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 Wednesday, September 26, 2012 to Saturday, September 29, 2012 (both days inclusive).

**BY ORDER OF THE BOARD**

**Sd/-**

**K. Sudeshkumar Acharya  
Director**

**Registered office:**

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

**Date:** July 31, 2012

# **BEE ELECTRONIC MACHINES LIMITED**

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## **ANNEXURE TO NOTICE**

EXPLANATORY STATEMENT FOR ITEM NO. 4  
(Pursuant to Section 173(2) of The Companies Act, 1956)

### **Item No. 4:**

In an endeavor to have an optimum combination of Executive and Non-Executive Directors on the Board of the Company, there was a need to expand the Board. As per Clause 49 that deals with the issue of Corporate Governance under The Listing Agreement, SEBI mandates that atleast fifty percent of the Board should comprise of Non-Executive Directors. The Company has for quite a few years been trying to fill up the vacancies on this front but for various reasons has been unable to do so.

Shri Venugopal R. Coontoor and Shri Rajendra kumar C. Shah were appointed as Additional Directors of the Company by the Board of Directors at the meeting held on September 30, 2011 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 Venugopal R. Coontoor and Shri Rajendra Kumar Shah hold office upto the date of this Annual General Meeting. The Company has received notices in writing from two members under Section 257 of The Companies Act, 1956 along with a deposit of Rs.500/- each as required under that Section, signifying their intent to propose the Appointment of Shri Venugopal R. Coontoor and Shri Rajendra Kumar Shah as Directors of the Company, liable to retirement by rotation.

The Board commends the election of Shri Venugopal R. Coontoor and Shri Rajendra Kumar Shah as Directors of the Company for the approval of the Members.

### Memorandum of Interest:

None of the Directors are interested in the resolution except Shri Venugopal R. Coontoor and Shri Rajendra Kumar Shah respectively.

**BY ORDER OF THE BOARD**

**Sd/-**

**K. Sudeshkumar Acharya**

**Director**

### **Registered office:**

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

**Date:** July 31, 2012

## DIRECTORS' REPORT

The Members,

Your Directors are pleased to present the 30<sup>th</sup> Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2012. The summarized financial results for the year ended 31st March, 2012 are as under:

<b>1. Financial Results</b>		
<b>Particulars</b>	<b>For the financial year ended 31<sup>st</sup> March, 2012 Amount in Rs.</b>	<b>For the financial year ended 31<sup>st</sup> March, 2011 Amount in Rs.</b>
Sales & Other Income	20.06	59.39
Gross Profit / (Loss)	(2.12)	7.50
Less : Depreciation	5.99	21.39
Profit/ (Loss) before exceptional item.	(8.11)	(13.89)
Exceptional Item – Interest provision written back	1314.96	Nil
Profit / (loss) before tax	1306.85	(13.89)
Less: Tax	Nil	Nil
Profit / (loss) after tax	1306.85	(13.89)

### 2. Review of Operation

The Company has achieved the sales and other income of Rs.20.16 lacs against Rs.59.16 lacs reported last year. Based on the discussions with the secured creditors with regard to proposed One-Time settlement, the interest component provided for in the books amounting to Rs 1314.96 lacs is written back as income and recorded as an exceptional item during the year under review. There was a profit after tax of Rs. 1306.85 lacs during the year under review as compared to the net loss after tax of Rs.13.89 lacs reported last year. The Company's plants were temporarily closed and there was no production. Your Directors are continuously looking for avenues for future growth of the Company.

### 3. Sick Industrial Company

As the net worth of the Company had been fully eroded, the Board of Director's had made a reference to the Board for Industrial and Financial Reconstruction (BIFR). The Company's reference before the Hon'ble BIFR had come up for hearing and the Company has been declared as a Sick Industrial Undertaking. The Hon'ble BIFR has appointed Canara Bank as the Operating Agency and has also directed that a Draft Rehabilitation Scheme be prepared. The Board has at the last instance directed that the surplus assets of the Company be sold through an Asset Sale Committee and that the proceeds from the same be used to settle the dues of the secured creditors and statutory dues. In the meanwhile, Company has been asked to submit the Draft Rehabilitation Scheme to the Operating Agency. The work on the same is underway.

### 4. Dividend

The Directors taking into account that there is no surplus from operation do not recommend any dividend for the year ended 31st March, 2012.

### 5. Listing

The Company's Equity Shares are listed on the Mumbai Stock Exchange. During the year, the Company has paid the pending annual listing fees of Mumbai Stock Exchange upto the year 2011-12

### 6. Directors

Mr. K. Sudesh Kumar Acharya, Director retires by rotation at the ensuing Annual General meeting and being eligible offers himself for re-appointment.

# BEE ELECTRONIC MACHINES LIMITED

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## 7. Particulars of Employee

There is no employee in the Company 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, as amended.

## 8. Auditors' Report

The observations of the auditors in their report are self-explanatory and are dealt within the Notes to Accounts at appropriate places and therefore, in the opinion of the Directors, do not call for further comments. The Management however continues to make efforts to recover the doubtful loans and advances and hence no provisions have been made. The Management on the other hand is also endeavoring to reach an understanding with the secured lenders of the Company and hence no interest provisions have been made.

## 9. Auditors

M/s. Shankarlal Jain & Associates, Chartered Accountants, having its office at Princess Street, Mumbai retire at the ensuing Annual General meeting of the Company and being eligible offer themselves for re-appointment. Your Directors recommend their re-appointment as Statutory Auditors of the Company and request the members to appoint them and fix their remuneration.

## 10. Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Board of Directors of the Company confirms that-

- a) In preparation of the Annual Accounts, the applicable accounting standards have been followed with proper explanation relating to material departures, if any.
- 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 financial year and of the profit or loss of the company for that period.
- 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.

## 11. Particulars of Energy Consumption, Foreign Exchange and Outgo

As required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of The Board of Directors) Rules, 1988, the relevant information is as stated below –

The Company's operations involve low energy consumption. Wherever possible, energy conservation measures are being implemented. The Company is not involved in any Research and Development program presently. The foreign exchange earning and outgo were nil.

## 12. 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 along with the Auditors Certificate on its compliance. The Company has taken necessary steps to comply with all the provisions of Corporate Governance to the extent possible. The Management Discussion and Analysis forms part of the Annual Report. A declaration by the Whole time Director regarding the compliance with the Code of Conduct also forms part of the Annual Report.

## 13. Acknowledgements

Your Directors place on record their gratitude for the continuing support of Shareholders, Bankers and Business associates at all levels.

For and on behalf of the Board

Sd/- Abhilasha Bhargava Whole time Director	Sd/- K Sudeshkumar Acharya Director
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Date: 31<sup>st</sup> July 2012

Place: Mumbai

## 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 efficient conduct of its business and in meeting its obligations towards all stakeholders. The Company believes that ethical business conduct is the foundation for efficient Corporate Governance. It is mandatory for the Board of Directors and Key Management Personnel to affirm compliance with the Code of Conduct on an annual basis. A declaration to this effect by the Wholetime Director of the Company also forms part of this Annual Report.

#### 2. BOARD OF DIRECTORS

The Company's Board comprises of five Directors of which one Director holds an Executive position and the other four are independent Directors. The Executive Director is part of the promoter group.

##### a. Composition of the Board (as on July 31<sup>st</sup>, 2012)

NAME OF THE DIRECTOR	STATUS
Ms. Karuna Kotiyan Shaikh	Non executive Director – Independent
Mr. K. Sudeshkumar Acharya	Non Executive Director – Independent
Mr. Venugopal R. Coontoor	Non executive Director – Independent
Mr. Rajendra Kumar Shah	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 in Mumbai. The notice for the meetings and the agenda for the meeting are sent 7 (seven) days in advance to the Directors of the Company. The senior management team is invited to the Board meeting to make presentations and submit reports, discussions, clarification on operations, as maybe required from time to time. The Board meets at the close of the quarter to review the quarterly performance and financial results of the Company, amongst other matters.

##### c. Number of Board meetings conducted during the year

There were 7 (seven) Board meetings held during the financial year 2011-12, as per the provisions of Clause 49 of the Listing Agreement. The dates on which the Board met are: April 30<sup>th</sup> 2011; July 30<sup>th</sup> 2011; August 16<sup>th</sup> 2011; September 30<sup>th</sup>, 2011, October 31<sup>st</sup> 2011, January 31<sup>st</sup> 2012 and March 31<sup>st</sup>, 2012.

##### 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/ she is a member
Ms. Karuna Shaikh	7	7	Present	0	0
Mr. K. Sudeshkumar Acharya	7	7	Present	0	0
Ms. Abhilasha Bhargava	7	7	Present	5	0
Mr. Venugopal Coontoor *	3	3	Not applicable	0	0
Mr. Rajendra Shah *	3	3	Not applicable	0	0

Note – “\*” Shri Coontoor and Shri Shah were appointed as Additional Directors at the Board meeting held on September 30<sup>th</sup>, 2011 and hence their attendance figures vary from the others.

# BEE ELECTRONIC MACHINES LIMITED

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The particulars of the Director, whose proposal for reappointment is being taken up at this AGM, are given as required pursuant to Clause 49 of the Listing Agreement.

Name	:	K Sudeshkumar Acharya
Qualifications	:	Engineering in Electronics and Telecommunications
Expertise	:	27 yrs+ experience in Office Automation industry
Other Directorships	:	None
Other memberships of committees	:	Nil

### 3. COMMITTEES OF DIRECTORS

Non executive/ Independent directors provide guidance to the senior management on policy matters as well as monitor the actions of the senior management. This involvement is formalized through constitution of designated committees of the Board. The committees are formed with an intention to provide regular flow of information and ideas between the non executive directors and the senior management. The Board has accordingly constituted 3 (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:

The Audit Committee comprised of three members till September 30<sup>th</sup>, 2011 after which it was recast to include Mr. Venugopal Coontoor who joined the Board. The Chairperson is a Non-Executive, Independent Director having a Commerce background. The Constitution of the Committee post September 30<sup>th</sup>, 2011 is as follows: Ms. Karuna Kotiyan Shaikh (Chairperson), Mr. K. Sudeshkumar Acharya, Mr. Venugopal Coontoor and Ms. Abhilasha Bhargava, Members.

The terms of 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.

The Committee met 5 (five) times during the current year (on April 30<sup>th</sup> 2011, July 30<sup>th</sup> 2011, August 16<sup>th</sup> 2011, October 31<sup>st</sup> 2011 and January 31<sup>st</sup> 2012. All members were present at each meeting.

#### B) Remuneration Committee:

The Constitution of the Remuneration Committee is a non-mandatory requirement under the Listing Agreement with the Stock Exchanges. However, it has been made mandatory under Schedule XIII of The Companies Act, 1956. The Remuneration Committee comprised of 3 (three) members upto September 30<sup>th</sup>, 2011. Post that date, Mr. Rajendra Kumar Shah was co-opted into the Committee. The Committee has accordingly been re-constituted to determine the remuneration package of its Directors when appointed. Presently, the Committee comprises of Ms. Karuna Kotiyan Shaikh (Chairperson), Mr. Rajendra Kumar Shah, Mr. K. Sudeshkumar Acharya and Ms. Abhilasha Bhargava.

The Committee met on one occasion i. e. on January 31<sup>st</sup>, 2012 and all the members were present at the meeting.

#### Disclosure of Remuneration to Directors

Non-Executive Directors were not paid any remuneration. The Whole-Time Director and an Independent Director was paid remuneration during the year as disclosed in Note 12 a) and b) of Notes on Accounts.

#### C) Shareholders Information and Investors Grievance Committee:

The Board has also established a Shareholders' / Investors Grievance Committee under the chairmanship of Mr. K. Sudeshkumar Acharya with Ms. Karuna Kotiyan Shaikh and Ms. Abhilasha Bhargava as Members for the specific purpose of redressal of shareholders / investors grievances and complaints etc. The committee met four times during the year. All the members of the Committee were present at the meetings.

There were no pending shareholders complaints / grievance and transfer of shares as on March 31<sup>st</sup>, 2012.

The Company has designated an e-mail id of the Compliance Officer, specifically, to look after investor grievances and to resolve them in a speedy manner, in compliance with Clause 47 (f) of the Listing Agreement.

The Board has appointed Mr. Umesh R. Phalorh, Chief Financial Officer as the Compliance Officer. E-mail Id : [investors@beeelectronic.com](mailto:investors@beeelectronic.com)



**4. GENERAL BODY MEETINGS**

Location and time for last three Annual General Meetings were :

<b>FY</b>	<b>Date</b>	<b>Location of the meeting</b>	<b>Time</b>
2008-09	30-Sep-09	266, Dr. Annie Besant Road, Worli, Mumbai – 30	11:30 a.m.
2009-10	30-Sep-10	266, Dr. Annie Besant Road, Worli, Mumbai – 30	11:30 a.m.
2010-11	30-Sep-11	266, Dr. Annie Besant Road, Worli, Mumbai – 30	09:30 a.m.

No Extra- Ordinary General Meeting was held during the year.

**5. DISCLOSURES**

- |   |   |
|---|---|
| <p><b>(a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the directors, the management, their subsidiaries or relatives, etc. that may have material conflict with the interests of the Company at large.</b></p> | <p>Details are provided in Note No. 20 under Schedule 14 to the notes forming part of the accounts in accordance with provisions of Accounting Standard 18.</p> |
| <p><b>(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.</b></p>   | <p>None.</p>  |
| <p><b>(c) Disclosure on number of shares and convertible instruments held by non – executive directors.</b></p>   | <p>Mr. K. Sudeshkumar Acharya : 200</p>   |

**6. MEANS OF COMMUNICATION**

The half yearly report and quarterly results are displayed on the website of BSE i. e. [www.bseindia.com](http://www.bseindia.com) and the Company website i.e. [www.beeelectronic.com](http://www.beeelectronic.com)

The results are usually published in Asian Age and Mahanayak.

The Management Discussion & Analysis forms a part of this Annual Report.

**7. GENERAL SHAREHOLDER INFORMATION**

- |  |   |                                 |   |                              |                                 |   |                           |                                 |   |                           |                                 |   |                         |
|--|---|---------------------------------|---|------------------------------|---------------------------------|---|---------------------------|---------------------------------|---|---------------------------|---------------------------------|---|-------------------------|
| <p>i. Annual General Meeting :-<br/>Venue</p>                          | <p>Date and Time September 30<sup>th</sup> 2012 at 10 : 30 a.m.<br/>266, Dr. Annie Besant Road, Worli, Mumbai 400 030.</p>  |                                 |   |                              |                                 |   |                           |                                 |   |                           |                                 |   |                         |
| <p>ii. Financial Results Calendar :<br/>April 2012 to March 2013 –</p> | <table border="0"> <tbody> <tr> <td>1<sup>st</sup> quarter results</td> <td>:</td> <td>July 31<sup>st</sup>, 2012</td> </tr> <tr> <td>2<sup>nd</sup> quarter results</td> <td>:</td> <td>last week of October 2012</td> </tr> <tr> <td>3<sup>rd</sup> quarter results</td> <td>:</td> <td>last week of January 2013</td> </tr> <tr> <td>4<sup>th</sup> quarter results</td> <td>:</td> <td>last week of April 2013</td> </tr> </tbody> </table> | 1 <sup>st</sup> quarter results | : | July 31 <sup>st</sup> , 2012 | 2 <sup>nd</sup> quarter results | : | last week of October 2012 | 3 <sup>rd</sup> quarter results | : | last week of January 2013 | 4 <sup>th</sup> quarter results | : | last week of April 2013 |
| 1 <sup>st</sup> quarter results  | :   | July 31 <sup>st</sup> , 2012    |   |                              |                                 |   |                           |                                 |   |                           |                                 |   |                         |
| 2 <sup>nd</sup> quarter results  | :   | last week of October 2012       |   |                              |                                 |   |                           |                                 |   |                           |                                 |   |                         |
| 3 <sup>rd</sup> quarter results  | :   | last week of January 2013       |   |                              |                                 |   |                           |                                 |   |                           |                                 |   |                         |
| 4 <sup>th</sup> quarter results  | :   | last week of April 2013         |   |                              |                                 |   |                           |                                 |   |                           |                                 |   |                         |
| <p>iii. Date of Book Closure -</p>                                     | <p>September 26<sup>th</sup>, 2012 to September 29<sup>th</sup>, 2012<br/>(both days inclusive)</p>   |                                 |   |                              |                                 |   |                           |                                 |   |                           |                                 |   |                         |
| <p>iv. Dividend :</p>  | <p>NA</p>   |                                 |   |                              |                                 |   |                           |                                 |   |                           |                                 |   |                         |
| <p>v. Listing of Equity Shares on Stock Exchanges</p>                  | <p>The Mumbai Stock Exchange</p>  |                                 |   |                              |                                 |   |                           |                                 |   |                           |                                 |   |                         |

## BEE ELECTRONIC MACHINES LIMITED

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- vi. Script Code Physical 517203  
Script Code Demat INE038E01014
- vii. Registrar and Share Transfer Agent Adroit Corporate Services Pvt. Ltd.  
19 Jaferbhoy Industrial Estate,  
1<sup>st</sup> Floor, Makwana Road,  
Marol Naka, Mumbai – 59
- viii. Share Transfer System Transfer of shares held in physical mode is processed by Adroit Corporate Services Pvt. Ltd. and approved by the Whole time Director pursuant to the powers granted by the Board.  
  
1400 shares were transferred during the year with an average interval of 15 days between approvals.

- ix. Distribution of Shareholding as on March 31<sup>st</sup>, 2012:

Category	No of shares held	% of shareholding
1. Promoters holding	1,548,501	48.70
2. Institutional/ Mutual Funds/ Banks/ FII	8,450	0.27
3. Others:		
Indian Public	1,543,817	48.54
Body corporate	72,782	2.29
NRI	6,450	0.20
<b>GRAND TOTAL</b>	<b>3,180,000</b>	<b>100.00</b>

- x. Dematerialization of Shares and liquidity 71.93% of the paid-up share capital comprising of 22,87,450 shares have been dematerialized as on March 31<sup>st</sup>, 2012.
- xi. Outstanding GDR's/ ADR's/ Warrants/  
any convertible instrument that may have an  
Impact on liquidity Nil
- xii. Plant location Tarapur, Dist. Thane, Maharashtra
- xiii. Correspondence address 266, Dr. Annie Besant Road, Worli,  
Mumbai 400 030  
Tel: 91 22 2430 7709/ 4665  
Fax: 91 22 2430 3716

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### DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its Board of Directors and Senior Executives.

I confirm that the Company has in respect of the financial year ended March 31<sup>st</sup> 2012 received from the senior management team of the Company and the members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Date : July 31<sup>st</sup>, 2012  
Place : Mumbai

Sd/-  
Abhilasha K. Bhargava  
Whole time Director

**CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To,

The Members of Bee Electronic Machines Limited,

We have examined the compliance of conditions of Corporate Governance by **Bee Electronic Machines Limited** for the year ended 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

Place : Mumbai

Date: July 31<sup>st</sup>, 2012

Mruga K Vasavada

Practicing Company Secretary

ACS 26793

CP 9647

# **BEE ELECTRONIC MACHINES LIMITED**

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## **MANAGEMENT DISCUSSION & ANALYSIS**

### **INDUSTRY STRUCTURE & DEVELOPMENT**

The Company is presently engaged in manufacturing, marketing and providing after-sales service support on a diverse range of Photocopier machines. Presently, the Company operates in two segments i. e. marketing and providing After-Sales-Service support.

The Industry in general has been going at the rate of 30 - 35% per annum in the past with bulk of the business coming in from the replacement market. However, the growth in the past few years has been impacted due to global recession. The Company does not foresee an immediate change as the market is saturated. There is a need for better product offering. However, given the Company's present financial position, the Company is not suitably poised to address a larger chunk of the market and has to content itself with offering the best that it can, given its present situation, to retain its existing customers.

### **FUTURE OUTLOOK**

The Company has enjoyed good tie-ups in all its major segments of operations. Its erstwhile Principals have been specialized global companies with niche product range and global acceptance.

The Company keeps monitoring the marketing opportunities for enhancing its product offerings in tune with the growing needs. However, at times finds itself restricted due to its financial constraints.

### **THREATS**

The major challenges that the Company is faced with in the Office Automation Industry is product obsolescence and the inability of the Company to offer a diverse range of Office Automation products. The Company tries to hedge against technological and product obsolescence by ensuring that the products offered meet competition standards. The Company also faces the threat of cheap imports from East European and China based suppliers.

### **RISK MANAGEMENT**

The Company is exposed to risks from various fronts – manpower; product offerings and the like. The Company tries to stem counter these risks to the best of their ability in the given set of circumstances.

### **INTERNAL CONTROL SYSTEM**

The Management Information & Review System is an important tool of Company's Control Mechanism. Clearly defined rules, responsibilities and objectives are set out at the beginning of the year for all concerned who are entrusted with the operational responsibilities. Monitoring mechanisms are in place and all policy decisions need to be cleared by the top management.

### **HUMAN RESOURCES/INDUSTRIAL RELATIONS**

The Company recognizes that good human resource development is essential for the success, growth and improvement of the Company. The Company's constant endeavor has been to attract, retain and nurture human potential by developing a culture of values. Your Company would like to record the whole-hearted support and dedication received from employees at all levels.

### **CAUTIONARY STATEMENT**

Statements in the Management discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward looking statements' within the meaning of applicable securities, laws and regulation.

Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions, change in the Government regulations, tax laws and other statutes and other incidental factors.

Other matters such as operational and financial performance etc., have been discussed under the respective heads in the Directors' Report.

**AUDITORS REPORT TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of Bee Electronic Machines Limited as at 31<sup>st</sup> March, 2012 and also the annexed Profit and Loss Account and the Cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether; the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

1. As required by the Companies (Auditors Report) order, 2003 issued by Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the specified in paragraph 4 and 5 of the said order to the extent applicable to the Company.

2. Further to our comments referred to in paragraph (1) above, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit:
- b) In our opinion, proper book of accounts as required by law have been kept by the company, so far as appears, from our examination of the book;
- c) The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of accounts:
- d) In our opinion, the attached balance Sheet, profit and loss account and the cash flow statement comply with the Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956, *except AS-15, regarding non provision of gratuity and leave encashment, being, accounted for on cash basis, amount unascertained as referred in clause no. 1, and AS-2 regarding valuation of inventories as referred to Clause no 8 of notes to the accounts.*
- e) On the basis of the written representation received from all the directors as on 31.03.2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31.03.2012 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with other notes to accounts, subject to the following;

Clause 1 regarding non-provision of gratuity, leave travel assistance, Leave encashment and Medical reimbursement, amount being unascertained;

*Clause.2 (a) regarding non-provision of excise duty on finished goods of Rs.196,892 being accounted for on clearance basis;*

## **BEE ELECTRONIC MACHINES LIMITED**

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*Clause No 2(b) Non provision of interest on Excise duty payable of Rs 48,300 (up to PY Rs 338,100)*

*Clause No 2(c) Non provision of property tax of Rs 67,751 (up to PY Rs 427,165)*

*Clause No. 4(b) regarding disclosure of overdue debentures due to this, the secured loan is overstated by Rs 131.25 lacs.*

*Clause No 4(d) regarding non-provision of interest on debentures of UTI of Rs 18.75 lacs and writing back interest provided in books up to March 2005 amounting to Rs 138.70 lacs*

*Clause No 4(e) regarding non-provision of interest on premium payable of Rs 93,750/-*

*Clause No 5 regarding unconfirmed balance of debtors, creditors, loans, advances and secured loans from financial Institutions and Bankers;*

*Clause No.6 regarding non-provision of loans and advances of Rs. 626,279;*

*Clause No 7 (b) regarding non-provision of interest of Rs 171.88 lacs; and writing back interest provided in books up to March 2005 of Rs 1176.26 lacs*

*Clause No 8 regarding non-provision of loss of Rs 400 lacs approximately on obsolete and slow moving stocks;*

3. We further inform that without considering the items mentioned for clause no 1, 4 (b) and 5 of notes to the accounts, effect of which cannot be determined, had the observations been made by us in clause nos. 2(b), 2(c), 4(d), 4(e), 6, 7(b) and 8 of the note to the accounts been considered, the loss for the year would have been Rs. 6,07,10,243/- as against the reported profit figure of Rs 13,06,84,612/- and the accumulated loss would have been Rs 31,38,51,261 as against the reported figure of Rs.12,24,56,406

the information required by the Companies Act, 1956 in the manner so required, give a true and fair view: -

- (1) in the case of balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
- (2) in the case of the profit and loss account, of the profit of the Company for the year ended on that date;
- (3) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For SHANKARLAL JAIN AND ASSOCIATES

Chartered Accountants

Firm Registration Number 109901W

Sd/-

S.L Agrawal

Partner

Membership No 72184

Place : Mumbai

Date: June 8, 2012

**The Annexure referred to in the Auditors' Report to the Members of Bee Electronic Machines Limited for the year ended 31 March, 2012.**

We report that:

- 1.1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2. According to the information and explanations furnished to us, the Company has not physically verified all the fixed assets during the year.
- 1.3. There were no fixed assets disposed off during the year and therefore do not affect the going concern status of the Company.
- 2.1. According to the information and explanations furnished to us, the Company has physically verified its inventories during the year. In our opinion, and the frequency of verification is reasonable.
- 2.2. In your opinion, the procedures of physical verification of inventories following by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- 2.3. According to information furnished to us, the company is maintaining proper records of inventory and the discrepancies; if any noticed on verification between the physical stock and book records were not material and have been properly dealt with in the books of account.
3. According to the information and explanations furnished to us, the Company has taken interest free loans from companies, parties and director listed in the register maintained under section 301 of the Companies Act, 1956. Other terms and conditions are not prima facie prejudicial to the interest of the company. The company has not given any loans to companies, parties and director listed in the register maintained under section 301 of the Companies Act, 1956 or to company under same management within the meaning of section 370 (1-B) of the companies Act, 1956. Loan taken to the extent of Rs 54, 61,000/- from one party
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further during the course of our audit, we have not come across any instances of major weaknesses in internal control that in our opinion, require correction but have so continued without correction.
- 05 a. Based on the information and explanations given to us, we are of the opinion that the transactions that are needed to be entered in the register in pursuance of section 301 of the Company Act, 1956 have been entered.
- 05b. In our opinion and according to the information and explanations given to us, there were no transactions which were made in pursuance of contracts entered in the register maintained under Section 301 of the Companies Act, 1956 in respect of any party during the year.
06. The Company has not accepted any deposits from public therefore, the provisions of sections 58 A and 58 AA of the Companies Act, and the rules framed thereunder are not applicable.
07. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business. However, it needs to be strengthened.

## BEE ELECTRONIC MACHINES LIMITED

08. We are informed that the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for any of the products of the company.

9. 1. According to information furnished to us, the company is regular in depositing with appropriate authorities, the undisputed statutory dues including Provident Fund, Investor Education Protection Fund, and Employees State Insurance, Income Tax, Sales Tax, Service tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it and there were no undisputed statutory dues in arrears, as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable except Sales tax of Rs 3,18,793/-, service tax of Rs 24,663 profession tax Rs 7,768/-, and Excise duty Rs 3,22,000/-

9. 2. According to the information furnished to us, the following amounts of Excise Duty and Sales Tax, have been, disputed by the Company, and hence, were not deposited to the concerned authorities at date of the Balance Sheet under report.

Name of Statute	Nature of dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty	4,34,16,614	1991 to 1994	CESTAT
Central Excise Act, 1944	Excise duty	7,476,179	1983 to 1987	CESTAT
Sales Tax Act	Sales tax	1,349,432	1997-98	Gujarat Sales Tax Tribunal Ahmedabad
Sales Tax Act	Sales tax	1,303,600	1998-99	Gujarat Sales Tax Tribunal Ahmedabad
Sales Tax Act	Sales tax	923,772	1999-00	Gujarat Sales Tax Tribunal Ahmedabad
Sales Tax Act	CST	31,115	1999-00	Asst Commissioner of sales Tax (Appeal 1), Ahmedabad
Sales Tax Act	Sales tax	43,688	1992-93	Dy Commissioner - Commercial taxes, Kolkata, (South) circle
Sales Tax Act	CST	58,547	1992-93	Dy Commissioner - Commercial taxes, Kolkata, (South) circle
Sales Tax Act	Sales tax	42,697	1999-2000	Dy Commissioner - Commercial taxes, Kolkata, (South) circle
Sales Tax Act	Sales tax	66,211	1999-2000	Dy Commissioner (CT)- Appellate Secunderabad Div
Sales Tax Act	CST	104,942	1999-2000	Dy Commissioner (CT)- Appellate Secunderabad Div
Sales Tax Act	CST	97,381	2001-2002	The Joint Commissioner (Appeal) - 6, Trade tax Lucknow

10. According to the information and explanations furnished to us

- It has accumulated losses at the end of the financial year of Rs 12,24,56,406
- Neither during the year the company has not incurred any cash loss nor in the immediately preceding financial year.

11. In our opinion and according to the information and explanations furnished to us by the Company, there were defaults in repayment of its dues to financial institutions and banks at the date of the Balance Sheet and the company has defaulted in repayment of dues of Rs 3,138.51 lacs to the financial institutions and banks. (Including Rs 1,913.95 lacs un-provided interest accrued & due)



12. According to the information and explanation given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not chit fund, nidhi, mutual benefit fund or a society. Accordingly, the provisions of clause 4 (xiii) of the Order, is not applicable to the company.
14. According to the information and explanation given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause (xiv) of the order is not applicable to the company.
15. According to the information and explanation given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The Company has not taken any term loan during the year.
17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised during the year on short – term basis have been used for long – term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4 (xviii) of the order are not applicable to the company.
19. The Company has not issued any debentures during the year. However, the company had taken money from UTI for issuing debentures of Rs 125 lacs in the year 1991 for which securities are yet to be created.
20. The Company has not raised any money the public issues during the year
21. During the course of our examination of the accounts of the Company in accordance with generally accepted auditing practices, we have not come across any instances of fraud on or by the Company, nor have we been informed by the management, of any such instance being noticed or reported during the year.

For SHANKARLAL JAIN AND ASSOCIATES

Chartered Accountants

Firm Registration Number 109901W

Sd/-

S.L Agrawal

Partner

Membership No 72184

Place : Mumbai

Date: June 8, 2012

## **WTD AND CFO CERTIFICATION**

We, Abhilasha K Bhargava, Whole time Director and Umesh R Phalorh, Chief Financial Officer responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2012 and to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2012 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) there has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant change in accounting policies during the year; and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Mumbai  
June 8, 2012

sd/-  
Abhilasha K Bhargava  
Whole time Director

sd/-  
Umesh R Phalorh  
Chief Financial Officer

## Balance Sheet as on 31st March, 2012

	Note No.	31st March, 2011 Amount (Rs.)	31st March, 2010 Amount (Rs.)
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	31,800,000	31,800,000
(b) Reserves and surplus	2	(109,281,406)	(239,966,270)
<b>2 Non-current liabilities</b>			
Long-term borrowings	3	5,637,561	4,453,183
<b>3 Current liabilities</b>			
(a) Short-term borrowings	4	118,450,582	249,946,182
(b) Trade payables	5	1,677,378	3,120,445
(c) Other current liabilities	6	875,165	1,217,024
<b>TOTAL</b>		<b>49,159,279</b>	<b>50,570,564</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Tangible Fixed assets	7	6,723,141	7,322,536
(b) Non-current investments	8	27,000	27,000
(c) Long-term loans and advances	9	1,018,485	1,075,352
<b>2 Current assets</b>			
(a) Inventories	10	41,064,200	41,105,347
(b) Trade receivables	11	158,741	293,168
(c) Cash and cash equivalents	12	161,311	735,086
(d) Short-term loans and advances	13	6,400	12,075
<b>TOTAL</b>		<b>49,159,279</b>	<b>50,570,564</b>
<b>See accompanying notes forming part of the financial statements</b>	20	-	-

In terms of our report attached.

For and on behalf of the Board of Directors

**For Shankarlal Jain & Associates**  
Chartered Accountants

Firm Registration no 109901W

Sd/-

**S.L. Agrawal**  
Partner

Place : Mumbai

Dated : 8<sup>th</sup> June, 2012

Sd/-  
**Abhilasha Bhargava**  
Wholetime Director

Sd/-  
**K Sudeshkumar Acharya**  
Director

Sd/-  
**Umesh R. Phalorh**  
Chief Financial Officer

# BEE ELECTRONIC MACHINES LIMITED

## Statement of Profit and Loss for the year ended 31 March, 2012

Particulars	Note No.	For the Year Ended 31st March, 2012 Amount (Rs)	For the Year Ended 31st March, 2011 Amount (Rs)
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (gross)	14	1,283,790	2,176,947
2 Other income	15	721,940	3,739,432
<b>3 Total revenue (1+2)</b>		<b>2,005,730</b>	<b>5,916,379</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	16 a	417,712	670,363
(b) Purchases of stock-in-trade	16 b	267,293	670,149
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	16 c	-	2,246,810
(d) Employee benefits expense	17	748,440	720,095
(e) Depreciation expense		491,215	835,272
(f) Other expenses	18	892,058	2,162,440
<b>Total expenses</b>		<b>2,816,718</b>	<b>7,305,130</b>
<b>5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>(810,988)</b>	<b>(1,388,751)</b>
6 Add:- Exceptional items Liability / Provision no longer required, hence written back	19	131,495,600	-
<b>7 Profit / (Loss) before tax (5 - 6)</b>		<b>130,684,612</b>	<b>(1,388,751)</b>
Earlier year's tax adjustments		252	8,513
<b>8 Profit / (Loss) from continuing operations (9 + 10)</b>		<b>130,684,864</b>	<b>(1,380,238)</b>
<b>9 Earnings per share with continuing operations (of Rs 10/- each):</b>			
(a) Basic		41.10	(0.44)
(b) Diluted		41.10	(0.44)
<b>10 Earnings per share (excluding exceptional items) (of Rs 10/- each):</b>			
(a) Basic		(0.26)	(0.44)
(b) Diluted		(0.26)	(0.44)
<b>See accompanying notes forming part of the financial statements</b>	<b>20</b>		

In terms of our report attached.

For and on behalf of the Board of Directors

**For Shankarlal Jain & Associates**  
Chartered Accountants  
Firm Registration no 109901W  
Sd/-  
**S.L. Agrawal**  
Partner  
Place : Mumbai  
Dated : 8<sup>th</sup> June, 2012

Sd/-  
**Abhilasha Bhargava**  
Wholetime Director

Sd/-  
**K Sudeshkumar Acharya**  
Director

Sd/-  
**Umesh R. Phalorh**  
Chief Financial Officer

## Cash Flow Statement for the year ended 31 March, 2012

Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	(810,988)	(1,388,751)
<i>Adjustments for:</i>		
Depreciation and amortisation	491,215	835,272
Provision for impairment of fixed assets and intangibles	108,183	1,303,243
Interest income	(9,074)	(56,039)
	<u>590,324</u>	<u>2,082,476</u>
Operating profit / (loss) before working capital changes	(220,664)	693,725
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	41,146	2,413,159
Trade receivables	134,427	(106,896)
Short-term loans and advances	5,675	-
Long-term loans and advances	(15,000)	(9,588)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(1,443,067)	(2,988,694)
Other current liabilities	17,783	3,696
	<u>(1,259,036)</u>	<u>(688,323)</u>
Cash generated from operations	(1,479,700)	5,402
Net income tax (paid) / refunds	72,115	135,725
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(1,407,585)</b>	<b>141,127</b>
<b>B. Cash flow from investing activities</b>		
Interest received	9,074	56,039
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>9,074</b>	<b>56,039</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long-term borrowings	824,736	(130,000)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>824,736</b>	<b>(130,000)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(573,775)</b>	<b>67,166</b>
Cash and cash equivalents at the beginning of the year	735,086	667,919
<b>Cash and cash equivalents at the end of the year</b>	<b>161,311</b>	<b>735,086</b>
<b>See accompanying notes forming part of the financial statements</b>	20	

In terms of our report attached.

For and on behalf of the Board of Directors

For Shankarlal Jain & Associates  
Chartered Accountants

Firm Registration no 109901W

Sd/-

S.L. Agrawal

Partner

Place : Mumbai

Dated : 8<sup>th</sup> June, 2012Sd/-  
Abhilasha Bhargava  
Wholetime DirectorSd/-  
K Sudeshkumar Acharya  
DirectorSd/-  
Umesh R. Phalorh  
Chief Financial Officer

# BEE ELECTRONIC MACHINES LIMITED

## Notes forming part of the financial statements

Particulars	As at 31 March, 2012 Amount (Rs.)	As at 31 March, 2011 Amount (Rs.)
<b>Note 1 Share capital</b>		
(a) Authorised 50,00,000 Equity shares of Rs 10/- each with one voting right per share	50,000,000	50,000,000
(b) Issued 31,80,000 Equity shares of Rs 10/- each with single voting rights per share	31,800,000	31,800,000
(c) Subscribed and fully paid up 31,80,000 Equity shares of Rs 10/- each with single voting rights per share	31,800,000	31,800,000
<b>Total</b>	<b>31,800,000</b>	<b>31,800,000</b>
<b>Notes</b>		
a) The Company has only one class of equity shares having a par value of Rs 10/-		
b) Each shareholder is eligible for one vote per share		
c) During the year under review, the company had not issued any additional shares nor there has been any transactions of bonus, ESOP, conversion or buyback of any shares		
d) Shareholding above 5% - Only one equity shareholder i.e Ms Abhilasha Bhargava holds 1,417,150 shares constituting 44.56% shares		
<b>Note 2 Reserves and surplus</b>		
(a) Securities premium account Balance as per last account	13,175,000	13,175,000
(b) Surplus / (Deficit) in Statement of Profit and Loss Opening balance	(253,141,270)	(251,761,032)
Add: Profit / (Loss) for the year	130,684,864	(1,380,238)
Closing balance	<b>(122,456,406)</b>	<b>(253,141,270)</b>
<b>Total</b>	<b>(109,281,406)</b>	<b>(239,966,270)</b>
<b>Note 3 Long-term borrowings</b>		
<b>Unsecured</b>		
(a) Maharashtra Package Scheme Incentive	176,561	176,561
(b) SICOM Deferred payment liability	-	455,345
(c) Unsecured Loans from related parties	5,461,000	3,821,277
<b>Total</b>	<b>5,637,561</b>	<b>4,453,183</b>
<b>Note 4 Short-term borrowings</b>		
(a) 125,000 14% privately placed non convertible debentures of RS 100/- each to Unit trust of India { also refer note 20,clause (4) }	13,125,000	26,994,692
(b) Working Capital Loan from Banks Secured { also refer note 20,clause (7) }		
Canara Bank	31,951,559	59,686,421
Standard Chartered Bank	42,933,986	87,617,029
ARCIL - Bank of Tokyo Mtsubhishi Ltd	30,440,037	75,648,040
<b>Total</b>	<b>118,450,582</b>	<b>249,946,182</b>

## Notes forming part of the financial statements

## Notes:

(i) Details of Non convertible debentures to UTI

Particulars	Terms and conditions*	As at 31 March, 2012 Secured	As at 31 March, 2011 Secured
125,000 14% privately placed non convertible debentures of Rs 100/- each to Unit Trust of India	Redeemable with 5% premium on 18.05.1998	12,500,000	12,500,000
5% Premium on redemption of debentures		625,000	625,000
Interest Accrued and Due		-	13,869,692
<b>Total</b>		<b>13,125,000</b>	<b>26,994,692</b>

\* The Non convertible debentures of UTI are to be secured by equitable mortgage of the Company's immovable properties, and by way of hypothecation of plant and machinery and all movable properties, (first charge) both present and future (save and except book debts) subject to the prior charges created / to be created in favor of the company's banker's on its raw materials, finished goods and consumable stores for securing borrowings for working capital requirement, the said charge shall rank pari passu with the existing charge holders. Trust deed and charge on the said assets are not created, as a result secured loan is overstated to that extent. These debentures have become due for redemption on May 18, 1998 alongwith a premium of 5% of Face value. However, the company has not repaid the same to UTI as the management had approached for a rollover. Confirmation from UTI in respect of Rollover of Debentures is still awaited.

**Note: Working Capital loans from Banks :**

Working Capital from banks is secured by hypothecation of stock of raw materials, finished goods, stores and spares and collateral security of book debts and personally guaranteed by the whole time Director of the company. The Company has defaulted in repayment to the above working capital lenders from FY 1999-00 onwards, as a result of which a suit is pending in Debt Recovery Tribunal. The Company is a sick Industrial unit registered with BIFR

Particulars	As at 31 March, 2012	As at 31 March, 2011
<b>Note 5 Trade payables</b>		
Trade payables (Other than SSI)	1,677,378	3,120,445
<b>Total</b>	<b>1,677,378</b>	<b>3,120,445</b>
<b>Note 6 Other current liabilities</b>		
Other payables		
a) Statutory liabilities	580,765	562,982
b) Unsecured advance received from party	294,400	654,042
<b>Total</b>	<b>875,165</b>	<b>1,217,024</b>

**Note 7 Fixed Assets Annexed to and forming part of the Balance Sheet as on 31st March, 2012**

Tangible Assets Particulars	Gross Block (AT COST)				Depreciation				Net Block		
	As on 01.04.2011 Rupees	Additions Rupees	Deletions Rupees	Total as on 31.03.2012 Rupees	Upto 01.04.2011 Rupees	For the Year Rupees	Deductions Rupees	Impairment Rupees	Upto 31.03.2012 Rupees	As on 31.03.2012 Rupees	As on 31.03.2011 Rupees
Freehold Land	845,704	-	-	845,704	-	-	-	-	-	845,704	845,704
Leasehold Land	224,100	-	-	224,100	61,067	2,359	-	-	63,426	160,674	163,033
Buildings	13,130,139	-	-	13,130,139	8,313,204	410,084	-	-	8,723,288	4,406,851	4,816,935
Plant and Machinery	24,666,763	-	-	24,666,763	24,026,116	78,772	-	108,183	24,213,071	453,692	640,647
Furniture and Fixture	5,589,824	-	-	5,589,824	5,352,660	-	-	-	5,352,660	237,165	237,165
Vehicle	1,168,449	-	-	1,168,449	1,147,399	-	-	-	1,147,399	21,050	21,050
Office Equipments	16,204,605	-	-	16,204,605	15,606,600	-	-	-	15,606,600	598,005	598,005
Total Rupees	61,829,584	-	-	61,829,584	54,507,045	491,215	-	108,183	55,106,443	6,723,141	7,322,536
Previous Year	61,829,584	-	-	61,829,584	52,368,530	835,272	-	1,303,243	54,507,045	7,322,539	9,461,054



## Notes forming part of the financial statements

Particulars	As at 31 March, 2012 Amount (Rs.)	As at 31 March, 2011 Amount (Rs.)
<b>Note 8 Non-current investments</b>		
Investments (At cost) (Unquoted)		
Investment in government securities - 6 year NSC VIII issue (Pledged with Sales tax authorities)	27,000	27,000
<b>Total</b>	<b>27,000</b>	<b>27,000</b>
<b>Note 9 Long-term loans and advances</b>		
Unsecured, considered good (except otherwise stated separately)		
(a) Security deposits	863,885	863,885
(b) Loans and advances to related parties	52,633	52,633
(c) Loans and advances to employees	33,402	18,402
(d) Advance income tax	38,565	110,432
(e) Other loans and advances	30,000	30,000
<b>Total</b>	<b>1,018,485</b>	<b>1,075,352</b>
<b>Note 10 Inventories</b>		
(At Cost and as taken, valued and certified by the Management)		
(a) Raw materials	18,753,555	18,753,555
(b) Work-in-progress (Tape Recorders and Rice cookers)	1,358,132	1,358,132
(c) Finished goods	4,277,641	4,277,641
(d) Stores and spares	16,674,872	16,716,019
<b>Total</b>	<b>41,064,200</b>	<b>41,105,347</b>
<b>Note 11 Trade receivables</b>		
Unsecured, considered good		
a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment	22,160	95,632
b) Other Trade receivables	136,581	197,536
<b>Total</b>	<b>158,741</b>	<b>293,168</b>
<b>Note 12 Cash and Bank Balances</b>		
(a) Cash on hand	31,649	34,268
(b) Balances with banks in current accounts	129,662	137,646
(c) Fixed deposits with Interest accrued thereon	-	563,172
<b>Total</b>	<b>161,311</b>	<b>735,086</b>
<b>Note 13 Short-term loans and advances</b>		
Unsecured, considered good		
Prepaid expenses	6,400	12,075
<b>Total</b>	<b>6,400</b>	<b>12,075</b>

# BEE ELECTRONIC MACHINES LIMITED

## Statement of Profit and Loss for the year ended 31 March, 2012

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
<b>Note 14 Revenue from operations</b>		
(a) Sale of products		
<u>Traded goods</u>		
Photocopier cum printers	315,801	789,180
Accessories of photocopiers	8,937	3,375
Spares and Consumables of Photocopier / Printer	826,255	1,324,148
(b) Sale of services - After sales services of Copier machines	132,797	60,244
<b>Total</b>	<b>1,283,790</b>	<b>2,176,947</b>
<b>Note 15 Other income</b>		
(a) Interest income (Refer Note (i) below)		
Bank deposits	6,841	37,424
Interest on income tax refunds	2,233	18,615
(b) Other non-operating income - Compensation received	658,676	784,248
(c) Sundry balances written back (net)	54,190	2,899,145
<b>Total</b>	<b>721,940</b>	<b>3,739,432</b>
<b>Note 16.a Cost of materials consumed</b>		
a. Opening stock	16,716,019	16,882,367
b. Add: Purchases	376,565	504,015
	17,092,584	17,386,382
c. Less: Closing stock	16,674,872	16,716,019
<b>Cost of material consumed (a+b-c)</b>	<b>417,712</b>	<b>670,363</b>
<b>Note 16.b Purchase of traded goods</b>		
Photocopier cum printer	267,293	670,149
<b>Total</b>	<b>267,293</b>	<b>670,149</b>
<b>Note 16.c Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<u>Inventories at the end of the year:</u>		
Finished goods	4,277,641	4,277,641
Work-in-progress	1,358,132	1,358,132
Stock-in-trade	18,753,555	18,753,555
<b>Total A</b>	<b>24,389,328</b>	<b>24,389,328</b>
<u>Inventories at the beginning of the year:</u>		
Finished goods	4,277,641	6,524,451
Work-in-progress	1,358,132	1,358,132
Stock-in-trade	18,753,555	18,753,555
<b>Total B</b>	<b>24,389,328</b>	<b>26,636,138</b>
<b>Net increase / (decrease) ( A - B )</b>	<b>-</b>	<b>2,246,810</b>

**Statement of Profit and Loss for the year ended 31 March, 2012**

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
<b>Note 17 Employee benefits expense</b>		
Salaries and wages	654,566	643,116
Contributions to provident and other funds	88,474	71,579
Staff welfare expenses	5,400	5,400
<b>Total</b>	<b>748,440</b>	<b>720,095</b>
<b>Note 18 Other expenses</b>		
Water	13,562	17,677
Rent including lease rentals	27,600	25,356
Repairs and maintenance - others	24,154	11,643
Rates and taxes	33,040	32,995
Telephone and Postage	35,190	39,989
Security Service charges	165,444	165,444
Printing and stationery	47,108	43,313
Listing fees and share transfer charges	143,011	47,254
Sales tax paid	90,188	164,906
Service Tax paid	35,069	55,995
Legal and professional	106,807	187,107
Payments to auditors	31,502	32,135
Provision for impairment of fixed assets	108,184	1,303,243
Miscellaneous expenses	31,199	35,383
<b>Total</b>	<b>892,058</b>	<b>2,162,440</b>
<b>Note 19 Exceptional items</b>		
Liabilities / provisions no longer required written back	131,495,600	-
<b>Total</b>	<b>131,495,600</b>	<b>-</b>

# BEE ELECTRONIC MACHINES LIMITED

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## NOTE 20:- FORMING PARTS OF ACCOUNTS AS ON 31<sup>ST</sup> MARCH 2012

### I) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### A) Basis of accounting

Mercantile system of accounting is followed except in case of gratuity, medical reimbursement, encashment of leave salary, leave travel allowances to employees, sales tax refund, and commission on sale of machines, which are treated on cash basis.

#### B) Fixed Assets

i) Fixed assets are stated at cost of acquisition or construction less depreciation. Cost Comprise the purchase price and other attributable costs including attributable to Construction. Also pre- operative expenditure incurred upto the date of commencement of production is capitalized.

ii) Depreciation on fixed assets is being provided in respect of all the assets on Straight Line Method at the rates prescribed in schedule XIV of the Companies Act, 1956. In respect of assets purchased prior to 01.04.1988 the SLM rate was fixed on the basis of Circular No. 01.01.1986/CLV dated 21.5.1986 and depreciation is being charged accordingly. Leasehold lands are amortized over the lease period. Assets below Rs. 5000/- are depreciated 100% irrespective of their period of use.

#### C) Investments

Investments are valued at cost of acquisition.

#### D) Inventories

Valuation of inventories are made as under:

- i) Raw materials, spares and consumable : at cost
- ii) Work-in progress : at estimated cost of production
- ii) Finished goods: at lower of cost or net realizable value.

#### E) Foreign exchange transactions

i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.

ii) Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except on those relating to the acquisition of fixed assets which are adjusted to the carrying amount of such assets.

#### F) Revenue recognition

i) Sale of goods is recognized on dispatch or bill to customers. Sales are net of sales return and includes amounts recovered / recoverable towards excise duty and sales tax.

ii) Revenue from services rendered are recognized on completion of the Job / time proportion basis and includes service tax thereon.

iii) Interest income is recognized on a time proportion basis.

#### G) Retirement benefits

Retirement benefits to employees are provided for by payment to provident and superannuation funds. The periodic contribution to funds is charged against revenue.

H) Research and Development expenses

Research and Development expenses are charged to revenue in the year in which they are incurred. Capital expenditure on research and development assets is included in fixed assets and depreciation is provided for at applicable rates.

I) Costs of purchases include direct expenses incurred there on like Freight, Custom Duty, Clearing and Forwarding charges etc.

J) Contingent liabilities are not provided for but are disclosed by way of notes to accounts.

**II) Notes to Accounts**

- 1) Liability for gratuity and leave encashment on actuarial basis has not been provided for, amount being unascertained and the same is treated on cash basis.
- 2)
  - (a) The Excise duty payable on finished goods is accounted for on clearance of goods from the Factory. The amount of Excise duty payable on finished goods not cleared from factory as on the above date is estimated at Rs. 196,892/- (Rs. 164,076).
  - (b) Interest on Excise duty payable of Rs 434,700/- (Rs 386,400/-) has not been provided for.
  - (c) Property tax has not been provided for Rs 562,667/- (PY Rs. 494,916/-)
- 3) In the opinion of the management, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business except otherwise stated. The provision for all known liabilities is adequate and not in excess of the amount deemed necessary. There are no contingent liabilities other than those stated above.
- 4)
  - a) The Non Convertible Debentures of UTI are to be secured by equitable mortgage of the Company's immovable properties, and by way of hypothecation of plant and machinery and all movable properties, (first charge) both present and future (save and except book debts) subject to the prior charges created / to be created in favor of the company's banker's on its raw materials, finished goods and consumable stores for securing borrowings for working capital requirement, the said charge shall rank pari passu with the existing charge holders. Trust deed and the charge on the said assets are not created.
  - b) The debentures shown under secured loans have become due for redemption on May 18, 1998, along with premium of 5% of face value. Management has approached UTI for a rollover. Therefore, the same has been shown under the head short term borrowings in current liabilities as secured loan. However, due to this secured loan is overstated to that extent. Confirmation from UTI in respect of rollover of debentures is still awaited.
  - c) Provision of penal interest due to non-payment of principal along with a premium of 5% has not been made as the Company has requested UTI for waiver of the same. Amount not being ascertained, the same will be accounted for as & when settled. On account of this, the profit for the year is overstated.
  - d) On account of the ongoing one time settlement talks going on with UTI, interest of Rs 18.75 lacs (PY Rs 18.75 lacs) for the year under review is not provided for as the management is hopeful that the interest would be waived off. Interest accrued and due up to March 2005 in books for Rs 138.70 lacs is written back during the year. Due to this, profit for the year is overstated. Total accumulated non provision of interest is Rs 269.95 lacs (PY Rs 251.20 lacs).
  - e) Provision for interest on premium of Rs 625,000/- payable to UTI has not been made as the company has requested UTI for waiver of the same. Due to this the profit for the year is overstated by Rs 93,750/- and secured loans is also understated to that extent. Accumulated interest Rs 13,12,500/- has not been provided for.(PY Rs 12,18,750)

## BEE ELECTRONIC MACHINES LIMITED

- 5) Sundry Debit, credit balances and secured loans from UTI and banks are subject to confirmation, reconciliations and adjustments, required, if any.
- 6) Loans and advances include doubtful advances of Rs 626,279 (Rs. 611,279). However, no provision has been made.
- 7 a) Bankers of the Company have filed suit against the company for recovery of their dues with the Debt Recovery Tribunal. Adjustment, if any, will be accounted for as and when settled. Therefore, the same has been shown under the head short term borrowings in current liabilities.
- b) In view of the ongoing one time settlement talks with the bankers, the company has not provided interest on the working capital facilities amounting to Rs 171.88 lacs (PY Rs 171.88 lacs), as the management is hopeful that the interest would be waived off. Interest accrued and due up to March 2005 in books of Rs 1176.26 lacs is written back during the year under review. Due to this, the profit is overstated to that extent. Total accumulated non provision of interest is Rs 2379.44 lacs (PY Rs 2207.56 lacs)
- c) The Company has not provided penal interest and interest on interest accrued and due as the Company is in the process of negotiating with the bankers to waive the same off. The same if any payable, in future shall be accounted for as and when settled.
- d) Security against the working capital facility is Rs 412.23 lacs as against the total working capital of Rs 1053.26 lacs. Hence the secured loan is unsecured to that extent.
- e) Hon'able BIFR vide its order dated 12.03.2012 has directed the operating agency to form an Asset sale committee and sell the company's surplus assets, It has also directed to retain the proceeds in no lien account and be a part of Draft Rehabilitation package to settle the secured lenders and statutory liabilities with the approval of BIFR.
- 8) Inventories of finished goods, Raw materials and Spares include value of old / slow moving stocks of Rs. 410.64 lacs; the realizable value of this stock is estimated at Rs. 10.64 lacs by the management. However, no provision for the loss of Rs. 400.00 Lacs is made during the year. Further valuation of these inventories is not in accordance with AS 2- Valuation of Inventories issued by ICAI.

- 9) Auditors remuneration:

	Current Year	Pervious Year
Audit fees	27,575	27,575
Out of pocket expenses	3,927	4,560
<b>Total Rs.</b>	<b>31,502</b>	<b>32,135</b>

- 10) (a) Managerial remuneration includes

Salaries	141,000	141,000
Perquisites	125,520	125,520
<b>Total remuneration</b>	<b>266,520</b>	<b>266,520</b>
Number of directors	2	2

- (b) The Company is of the opinion that computation of net profit u/s. 350 of The Companies Act, 1956 need not be made since no commission is payable to the Whole time Director for the year ended March 31st, 2012.

- 11) Deferred Tax: - In view of the applicability of Accounting Standard 22, Accounting for Taxes on Income for the year, the company does not have current tax as well as deferred tax liability due to carry forward losses. In the opinion of the Management, deferred tax asset is not recognized in view of the uncertainty of future taxable profit.

- 12) Segment Reporting: -
- a. Business Segment: - The Company is primarily engaged in the business of selling and servicing office automation products. As the sales and the after sales service forms the part and parcel of the same business activity, the management has considered both the sales and after sale service as one segment only.
  - b. Geographical Segment: - The Company sells the office Automation products within India and also does the after sales service of the office Automation products in India only. The Condition prevailing in India being uniform, no separate geographical segment disclosure is considered necessary.
- 13) The Management has carried out assessment of impairment test as per the Accounting Standard (AS) 28 and accordingly the loss on impairment of Ra 108,183/- is debited to Profit and loss account.
- 14) Related Party Disclosure: - Transactions made by the Company during the year with related parties is disclosed pursuant to Accounting Standard 18 on Related Party Disclosures issued by the ICAI is given here under. Related party relationship is as identified by the Company and relied upon by the Auditors.

**Particulars**

**Related party transactions**

**Details of related parties:**

**Description of relationship**

**Names of related parties**

Associates

- a) Fuji Electronics Private Limited
- b) Kaka Company Private Limited
- c) Flexcord Cables Private Limited

Key Management Personnel (KMP)

- a) Ms Abhilasha Bhargava - Wholetime Director
- b) Mr. Umesh K Phalorh - Chief Financial Officer
- c) Mr. K Sudeshkumar - Director

Relative

Late Shri Krishna Kumar Bhargava - Ex Managing Director

Note: Related parties have been identified by the Management.

**Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:**

	Associates	KMP	Relatives of KMP	Total
Remuneration		554,520 (554,520')		554,520 (554,520')
Loans Taken		3,955,583 (-)		3,955,583 (-)
Balance Payable	(-) (2,046,802')	11,427 (1,099,967')	-	11,427 (3,415,827)
Balance receivable	52,633 (52,633')			52,633 (52,633')
Loans repaid	2,046,802 (-)	(-) (130,000')	269,058 (-)	2,315,860 (130,000')

## BEE ELECTRONIC MACHINES LIMITED

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15) Pursuant to Accounting Standard 20 Earnings per share, is calculated as under

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
<b>Earnings per share</b>		
<u>Basic</u>		
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	130,684,612	(1,388,751)
Weighted average number of equity shares	3,180,000	3,180,000
Par value per share	10	10
Earnings per share from continuing operations - Basic	41.10	(0.44)
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	130,684,612	(1,388,751)
Weighted average number of equity shares - for diluted EPS	3,180,000	3,180,000
Par value per share	10	10
Earnings per share, from continuing operations - Diluted	41.10	(0.44)
<u>Basic (excluding extraordinary items)</u>		
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	130,684,612	(1,388,751)
Add / (Less): Extraordinary items (net of tax) relating to continuing operations	0	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	130,684,612	(1,388,751)
Weighted average number of equity shares	3,180,000	3,180,000
Par value per share	10	10
Earnings per share from continuing operations, excluding extraordinary items - Basic	41.10	(0.44)
<u>Diluted (excluding extraordinary items)</u>		
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	130,684,612	(1,388,751)
Add / (Less): Extraordinary items (net of tax)	0	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	130,684,612	(1,388,751)
Profit / (loss) from continuing operations attributable to equity shareholders (on dilution)	130,684,612	(1,388,751)
Weighted average number of equity shares for Basic EPS	3,180,000	3,180,000
Par value per share	10	10
EPS from continuing operations, excluding extraordinary items - Diluted	41.10	(0.44)



	As at 31 March, 2012	As at 31 March, 2011
<b>16 Contingent liabilities (to the extent not provided for)</b>		
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	25,028,538	25,056,230
(b) Disputed Excise Duty Liability	50,892,793	52,648,247
(c) Disputed Sales tax Liability	4,021,385	4,021,385

**17. Details of consumption of imported and indigenous items**

	For the year ended 31 March, 2012	
	Amount	%
<u>Indigenous</u>		
Spare parts	417,712	100%
	(670,363)	(100%)
18) Details regarding Non Resident Shareholders		
i) Number of non-resident shareholders	16	
ii) Number of Shares held	6450	
iii) Amount of Dividend remitted in Indian Rupees	0	

18) Previous Year figures have been regrouped, rearranged, and recasted wherever necessary on account of the changes required in the new format under schedule VI of The Companies Act, 1956.

19) Figures within the brackets for previous year.

**As per our Annexed Report**

**For Shankarlal Jain & Associates**

**Chartered Accountants**

Firm Registration no 109901W

Sd/-

**S.L. Agrawal**

**Partner**

Place : Mumbai

Dated : 8<sup>th</sup> June, 2012

**For and on behalf of the Board of Directors  
Bee Electronic Machines Ltd.**

Sd/-

**Abhilasha Bhargava**

**Wholetime Director**

Sd/-

**K Sudeshkumar Acharya**

**Director**

Sd/-

**Umesh R. Phalorh**

**Chief Financial Officer**

# **BEE ELECTRONIC MACHINES LIMITED**

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## **CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE FOR THE F.Y. 2010-11**

### **CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To,

The Members of Bee Electronic Machines Limited,

We have examined the compliance of conditions of Corporate Governance by **Bee Electronic Machines Limited** for the year ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

Place : Mumbai

Date: January 21<sup>st</sup>, 2012

Mruga K Vasavada  
Practicing Company Secretary  
ACS 26793  
CP 9647

**BEE ELECTRONIC MACHINES LIMITED**

Reg. Office: 266, Dr. Annie Besant Road, Worli, Mumbai - 400 030.

**ATTENDANCE SLIP**

Shareholders attending the Meeting in person or by proxy to complete this attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the THIRTEETH ANNUAL GENERAL MEETING of the company at 266 Dr. Annie Besant Road, Worli, Mumbai 400030 on 29.09.2012 at 10.30 a.m.

.....  
Signature

Full Name of the Shareholder.....  
(in block capital)

Folio No.

.....  
Signature

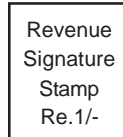
Full Name of the Proxy .....  
(in block capital)

**BEE ELECTRONIC MACHINES LIMITED**

Reg. Office: 266, Dr. Annie Besant Road, Worli, Mumbai - 400 030.

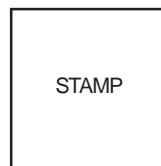
I/We .....of .....being a member/members of the above named Company, hereby appoint ..... on my / our behalf at the THIRTEETH ANNUAL GENERAL MEETING of the Company to be held on 29.09.2012 at 10.30 am and at any adjournment thereof.

Signature .....



- Note:
- 1. The Proxy form must be deposited at the Company's Registered Office not less than 48 hours before the meeting. The proxy need not be a member.
  - 2. Signature should be affixed across the Revenue Stamp as per Specimen signature registered with the Company.

**BOOK-POST**



**To,**

If undelivered, please return to :  
**BEE ELECTRONIC MACHINES LTD.**  
266, Dr. Annie Besant Road, Worli,  
Mumbai - 400 030.

**DAS PRINTING : 40026615/16**