

***32nd
Annual Report
2013-2014***

**BEE ELECTRONIC
MACHINES LIMITED**



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!"

*"Acchedyo' yam adahyo 'yam
akledyo 'sosya eva cha
Nitya sarvah-gatah sthanur
Achalo 'yam sanatanah"
(Bhagwad Gita: Chapter Two Verse 24)*

*"Sri Krishna said: This individual soul is
unbreakable and in-soluble, and can neither
be burned nor dried. He is ever-lasting,
present everywhere, unchangeable,
immovable and eternally the same."*

BOARD OF DIRECTORS

Ms. Abhilasha Bhargava

Ms. Karuna Kotiyan

Mr. K. Sudesh Kumar Acharya

Mr. Venugopal R. Coontoor

Mr. Rajendra Kumar C. Shah

Whole time Director

Director

Director

Director

Director

REGISTERED OFFICE

266, Dr. Annie Besant Road

Worli, Mumbai 400 030

CIN No.: L32100MH1981PLC025033

Tel: 2430 1873 Fax: 2430 7709

Email: investors@beeelectronic.com

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, 1st Floor,

Makwana Road, Marol Naka, Mumbai 400 059

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

Email: adroits@vsnl.net

FACTORIES

Unit - 1:

G-17/2, MIDC Industrial Area

Tarapur, Maharashtra

Unit - 2:

Raghunath Industrial Estate

College Road, Wadkund

Dahanu Road, Maharashtra

Unit - 3:

Plot No.12, Gamtalao

Dabhel Industrial Co-op. Ltd., Dabhel

Nani Daman, Daman 396 210

BEE ELECTRONIC MACHINES LIMITED

NOTICE

Notice is hereby given that the Thirty Second Annual General meeting of BEE ELECTRONIC MACHINES LIMITED will be held at the Registered Office of the Company at 266, Dr. Annie Besant Road, Worli, Mumbai 400 030 on Tuesday, September 30th, 2014 at 10:00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31st, 2014 including the audited Balance Sheet as at March 31st, 2014 and the Statement of Profit and Loss and the Cash Flow statement for the year ended on that date and the Reports of the Directors and Auditors thereon, by passing the following as an Ordinary Resolution;

"RESOLVED THAT the Balance Sheet as at March 31st, 2014, the Statement of Profit and Loss for the year ended on that date together with the Notes thereon, the Cash Flow Statement for the said period and the Report of the Auditors and the Directors thereon be and are hereby received, confirmed and adopted."
2. To appoint a Director in place of Mr. K. Sudesh Kumar Acharya [DIN 02267112], who retires by rotation and being eligible offers himself for re-appointment by passing the following as an Ordinary resolution;

"RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the Rules made there under and the Articles of Association of the Company, Mr. K. Sudesh Kumar Acharya [DIN 02267112], a Director retiring by rotation being eligible and offering himself for re-election, be and is hereby re-appointed as a Director of the Company."
3. To re-appoint M/s. Shankarlal Jain & Associates, Chartered Accountants (Registration No.109901W) as the Auditors for the Company by passing the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 139 of the Companies Act, 2013, and the Rules made thereunder, M/s. Shankarlal Jain & Associates, Chartered Accountants, Mumbai, the retiring auditors with ICAI Registration Number 109901W, be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 34th Annual General Meeting of the Company to be held during the year 2016 on a remuneration to be fixed by the Board of Directors."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 the Rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, the appointment of Ms. Karuna Kotiyani [DIN 02840523] as an Independent Director of the Company for a period of five years from May 30th, 2014 be and is hereby approved."
5. To consider and if thought fit, to pass the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 the Rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, the appointment of Mr. Venugopal Ramaswamy Coontoor [DIN 03633064] as an Independent Director of the Company for a period of five years from May 30th, 2014 be and is hereby approved."
6. To consider and if thought fit, to pass the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 160, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 the Rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, the appointment of Mr. Rajendrakumar Chunilal Shah [DIN 03632207] as an Independent Director of the Company for a period of five years from May 30th, 2014 be and is hereby approved."

7. To consider and if thought fit, to pass the following as a Special Resolution:

"RESOLVED THAT pursuant to Section 196 and 197 of the Companies Act, 2013, ("The Act"), Schedule V thereto, the applicable Rules, the Articles of Association of the Company, and subject to the other provisions of the Act and of the Articles as may be applicable, and such other approvals as may be required, approval of the Members is accorded for the appointment of Ms. Abhilasha Krishna Kumar Bhargava [DIN 00940237] as the Whole time Director of the Company for a period of three years with effect from September 30th, 2014 on the following terms and conditions:"

- a. Salary of Rs.5,000/- per month with power to the Board of Directors to increase the salary from time to time subject to a ceiling of Rs.15,000/- a month.
- b. Perquisites: In addition to the salary, the Whole time Director shall be entitled to housing, accommodation or house rent allowance, maid servant at the residence, gas, electricity, water and furnishings at residence, reimbursement of medical expenses and/ or medical insurance for self and family, leave travel club membership, personal accident premium and such perquisites as per the rules of the company.
- c. The Whole time Director shall also be entitled to following perquisites which shall not be included in the computation of ceiling on remuneration specified hereinabove.
 1. Contribution to provident fund, superannuation fund or annuity fund, encashment of leave and gratuity amongst other benefits shall be in accordance with the applicable law/ service rules of the Company.
 2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
 3. Encashment of leave at the end of the tenure.
- d. Provision of car with Driver for business of the Company and telephone at residence shall not be treated as perquisites. However, the Company shall bill the Whole time Director for car and long distance telephone calls for personal use.
- e. Notwithstanding anything contained hereinabove, wherein in any financial year the company has no profits or its profits are inadequate, the Company shall pay to the Whole time Director the aforesaid remuneration which shall be the minimum remuneration payable to Ms. Abhilasha Krishna Kumar Bhargava [DIN 00940237]. The contribution to Provident Fund, gratuity payable and encashment of leave at the end of the tenure shall not be included in the computation of ceiling for the aforesaid minimum remuneration."

BY ORDER OF THE BOARD

Registered office:
266, Dr. Annie Besant Road,
Worli, Mumbai 400 030

Sd/-
K. Sudesh Kumar Acharya
Director

Date: July 31st, 2014

NOTES:

1. The Register of Members and the Share Transfer Book of the Company shall remain closed from Friday, September 26th, 2014 to Tuesday, September 30th, 2014 (both days inclusive) in connection with the Annual General Meeting.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), which sets out details relating to Special Business at the meeting, is annexed hereto.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/ proxies to attend and vote instead of himself/ herself. Such a proxy/ proxies need not be a member of the company. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Members holding more than 10% are entitled to appoint a single proxy, who cannot be a proxy of any other member.

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4. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of Companies, Societies, etc. must be supported by an appropriate resolution/ authority, as applicable.
5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.
7. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, are enclosed and form an integral part of the Notice. The Directors have furnished their requisite declarations for their appointment/ re-appointment.
8. Electronic copy of the full version of the Annual Report for the year 2013-14 and the Notice of the 32nd AGM are being sent to all the members whose E-mail IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address/ ID, physical copies of the Annual Report for the year are being sent in the permitted mode. These members are requested to register their email IDs with the DP/ RTA as detailed in Page 8 of the Annual Report.
9. Full version of the Report and the Notice of the AGM are available on the Company's website viz. www.beeelectronic.com. Members desirous of receiving the complete Annual Report may send a request in writing to the Registrar or the Company and send the same by post/ courier or email with a scanned copy of the request.
10. Pursuant to the stipulations in Clause 35B of the Listing Agreement read with Section 108 of the Companies Act, 2013 and the relevant Rules, the Company has entered into an Arrangement with Central Depository Services Limited(CSDL) to facilitate the Members to exercise their right to vote at the Annual General Meeting by electronic means.
11. *A person who has participated in e-voting is not debarred from participating in the meeting physically though he shall not be able to vote in the meeting again and his earlier vote cast electronically shall be treated as final. In terms of the provisions of Section 107 read with Section 109, there will be no voting by show of hands at the meeting and hence the provisions relating to demand for poll by Members is irrelevant. The Chairman of the meeting will regulate the meeting and voting on the resolutions in accordance with the provisions of the Act and the applicable Rules.*
12. Ms. Avani S. Popat, Practicing Company Secretary, Membership No. 27774, CP No. 10923 has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
13. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a written request for the same, by post free of cost. For any information, the shareholders may also send requests to the RTA.
14. Due notices have been received under Section 160 of the Companies Act, 2013 with regard to the appointment of directors proposed under items 4, 5 and 6.
15. All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the Registered office during normal business hours on all working days except on Saturdays & holidays, up to and including the date of the AGM.

16. Shareholders seeking any information with regards to accounts are requested to write to the Company well in advance so as to enable the Management to reply.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND CLAUSE 49 OF THE LISTING AGREEMENT

Item Nos. 4, 5 & 6

Ms. Karuna Kotiyan, Mr. Venugopal Coontoor and Mr. Rajendra Shah were appointed as Directors of the Company liable to retire by rotation and categorized as Independent Directors under the Listing Agreement. In terms of the relevant provision of the Companies Act, 2013 (the Act) at the Meeting held on May 31st, 2014 these Directors have been appointed by the Board as Independent Directors under Section 149 of the Act read with the other provisions, rules and Schedule IV to the Act, for a period of five years w. e. f. the said date. As per Section 150, their appointment is to be approved by the shareholders and hence the same is placed for consideration and approval at the AGM. In terms of the relevant provisions of the Act, the above Directors will not be liable to retire by rotation.

The appointees comply with the criteria for independent directors specified in Section 149(6) of the Act. Considering their qualification, experience, stature and standing, they are qualified to be appointed as the Independent Directors of the Company. Further they have been the Independent Directors of the Company and as such are well versed with the Company's business. Therefore, their appointment and guidance as the Independent Directors will be of great value to the Company. The Board recommends the resolutions for the consideration of the Members.

Except the respective appointees, none of the other Directors and Key Managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolutions.

Item No. 7

At the Annual General meeting of the Company held on September 30th, 2009, Ms. Abhilasha Bhargava was appointed as the Whole time Director of the Company for a period of three years. As per Section 161 of the Act, she holds office till the ensuing AGM and it is proposed to appoint her as the Whole time Director for a further period of three years i. e. till September 30th, 2017.

Ms. Abhilasha Bhargava, aged 43 years holds a Bachelor's degree in Commerce and has done FMBA from Narsee Monjee Institute. She has more than 20 years experience in the industry. She is experienced in handling legal matters and has been handling day to day administrative and other functions of the Company.

Ms. Abhilasha Bhargava is part of the promoter group of the Company and holds 14,17,129 shares in the Company. She holds Directorship in five other Companies and is not on any other Committee. Statement pursuant to Clause (iv) of second proviso to Paragraph B of Section II of Part II of Schedule V to the Act is enclosed to the extent applicable.

The Board recommends the resolution for the consideration of the members as a Special Resolution.

Except Ms. Abhilasha Bhargava, none of the other Directors and other Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the above proposal.

BY ORDER OF THE BOARD

Registered office:
266, Dr. Annie Besant Road,
Worli, Mumbai 400 030

Sd/-
K. Sudesh Kumar Acharya
Director

Date: July 31st, 2014

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STATEMENT PURSUANT TO CLAUSE (IV) OF SECOND PROVISO TO PARAGRAPH B OF SECTION II OF PART II OF SCHEDULE V TO THE ACT

1. GENERAL INFORMATION

(1) Nature of Industry	Office Automation – Manufacture, marketing and after-sales-service of Office Automation products like Photocopiers, Fax machines, related Spares and Consumable		
(2) Year of commencement of commercial production	1981		
(3) Financial Performance	2011-12	2012-13	2013-14
Total Sales	12,83,790	14,29,486	799,785
PAT / LAT	13,06,84,864	(-) 801,398	(-) 998,287
Dividend	NIL	NIL	NIL
Export Sales		NA	
(4) Foreign Investments or collaborations, if any		NA	

2. INFORMATION ABOUT THE APPOINTEE

Ms. Abhilasha Krishna Kumar Bhargava

Background details

Details of past remuneration

Remuneration proposed

Comparative remuneration profile with respect to industry, size of the Company profile of the position and person

Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.

Furnished under Item 7 of the Explanatory Statement at page 5
There have been no changes in her remuneration since her appointment.

Details furnished in the relevant resolution

In view of the fact that the Company is a Sick Industrial Company and is in a precarious financial position, comparative remuneration w. r. t. the Industry is not possible.

NIL

3. OTHER INFORMATION

Reasons for Loss or Inadequacy of Profits

Steps taken or proposed to be taken for improvementExpected increase in productivity and profits in measurable terms.

Lack of Working Capital; earnings presently earmarked for meeting legal expenses for safeguarding the Company from litigations; limited business volume as people are apprehensive to do business with a SICK Company. The Company's expenses are fixed and have to be met irrespective of the quantum of earnings.

The Draft Rehabilitation Scheme is under preparation and the One Time Settlement with the Secured lenders is under active consideration. The Company hopes for a favorable outcome. Once the proposed Rehabilitation Scheme is implemented, the expenses relative to the litigations would reduce and new business opportunities and ventures could be explored. The Company is striving to reach a Settlement with its lenders however, the process takes time. The Company is hopeful of

a favorable outcome and hopes that it will be in a better position to increase its productivity and reverse the position in a reasonable time period.

4. DISCLOSURES

Information on remuneration package
Other disclosures

Details furnished in the relevant resolution
Information on elements of remuneration, components, terms of service and stock option etc. are furnished in the resolution

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE 32ND AGM

Item Nos. 2, 4, 5 & 6 of the Notice

Name	:	K. Sudeshkumar Acharya
Qualifications	:	Engineering in Electronics and Telecommunications
Expertise	:	30+ years experience in Office Automation Industry
Other Directorships	:	None
Other Memberships of Committees	:	Nil
Name	:	Karuna Kotiyan
Qualifications	:	B. Com; MHRDM
Expertise	:	21+ years experience in handling HR and Admin functions
Other Directorships	:	None
Other Memberships of Committees	:	Nil
Name	:	Venugopal R. Coontoor
Qualifications	:	Post Graduate in Digital Electronics and Telecommunications
Expertise	:	Over 30 years experience - Engineering field & allied businesses
Other Directorships	:	None
Other Memberships of Committees	:	None
Name	:	Rajendrakumar C. Shah
Qualifications	:	SSC
Expertise	:	Over 35 years of experience- Textile & Real estate business
Other Directorships	:	None
Other Memberships of Committees	:	None

BEE ELECTRONIC MACHINES LIMITED

PROCEDURE FOR E-VOTING

The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting for AGM. The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN - Bee Electronic Machines Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) The voting period begins on 22/09/2014 (10 am) and ends on 24/09/2014 (5 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15/09/2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (xiv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xx) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 15/09/2014.
- (xxi) Ms Avani S Popat, Practicing Company Secretaries (Membership No 27774, CP No 10923) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxii) The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxiii) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.beeelectronic.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited

BEE ELECTRONIC MACHINES LIMITED

DIRECTOR'S REPORT

The Members,

The Directors of the Company present the 32nd Annual Report of your Company together with the Audited Statement of Accounts and the Auditors Report of your Company for the financial year March 31st, 2014. The summarized financial results for the year ended March 31st, 2014 are as under:

1. Financial Results:

Particulars	For the financial year ended March 31 st , 2014 Amt in lacs.	For the financial year ended March 31 st , 2013 Amt in lacs.
Sales & Other Income	15.50	21.04
Gross Loss	5.86	3.89
Depreciation	4.12	4.12
Loss before exceptional item	(9.98)	(8.01)
Exceptional Item :- Interest written back	Nil	Nil
Profit/ (Loss) before Tax	(9.98)	(8.01)
Tax	Nil	Nil
Profit/ (Loss) after Tax	(9.98)	(8.01)

2. Review of Operations -

The Company has achieved a turnover (Sales and Other Income) of Rs.15.50 lakhs against Rs.21.04 lakhs reported last year. The Company suffered a set-back in commencement of its rehabilitation process as the Draft Rehabilitation Scheme (DRS) although formulated has not yet been approved by the secured lenders and Hon'ble BIFR. The Directors continue to look for business streams that can augment the business volume of the Company. The Company's plants are presently shut in operative on account of various constraints.

3. Sick Industrial Company -

The Company had been declared as a Sick Industrial Company by the Board for Industrial and Financial Reconstruction, New Delhi. As per directions of the Hon'ble BIFR, the Operating Agency (Canara Bank) had constituted an Assets Sale Committee (ASC) for selling the surplus assets of the Company identified as plant in Tarapur and Daman. As per the directions of Hon'ble BIFR, the highest bid of M/s. Mount Overseas Private Limited, Mumbai had been accepted. The sale proceeds deposited by them with the Operating Agency had been kept in a No Lien Account on behalf of the Company and were to form an integral part of the DRS. However, the sale of the units attracted Capital Gains Tax (CGT) which the lenders were not agreeable to discount from the Sale proceeds. There were other objections raised on payments of a statutory nature. As the secured lenders were un-willing to change their stand, the Hon'ble BIFR prematurely rescinded the sale of the properties and directed that the sales proceeds received by the Operating Agency on behalf

of the Company be refunded back. The bidder viz., M/s. MOPL, Mumbai have filed a Writ Petition in the Delhi High Court against the Order of the Hon'ble BIFR. The Hon'ble BIFR has further issued a Show Cause Notice seeking a response on why the Company should not be wound up. The Company has preferred an Appeal before the Appellate Authority for Industrial and Financial Reconstruction, New Delhi against the Order. AAIFR have heard the matter and granted stay in the matter in BIFR. The Company's Appeals have been admitted and the matter is presently before AAIFR for adjudication. The Directors are hopeful for a favorable outcome.

4. Dividend –

The Directors taking into consideration that there is no surplus from the operations do not recommend any dividend for the year ended March 31st, 2014.

5. Listing –

The Company's equity shares are listed on the Mumbai Stock Exchange. The Company has paid the annual listing fees of Mumbai Stock Exchange up to the year March 2014.

6. Directors –

Mr. K. Sudesh Kumar Acharya (DIN 02267112), Director retires by rotation at the end of the ensuing Annual General meeting and being eligible offers himself for re-appointment.

At the Board meeting held on May 31st, 2014 Ms.^s Karuna Kotiyan (DIN 02840523); Mr. Venugopal Coontoor (DIN 03633064) and Mr. Rajendra Kumar Shah (DIN 03632207) have been appointed as Independent Directors of the Company for a period of three years under Section 149 of the Companies Act, 2013 (the new Act). As per the provisions of the new Act, their appointment is to be approved by the shareholders in the general meeting and hence the same is proposed to be considered at the ensuing AGM.

The term of office of Ms. Abhilasha Bhargava (DIN 00940237), Whole time Director ends on September 30th, 2014 and the Board recommends her re-appointment as the Whole time Director for a further period of 3(three) years at the remuneration recommended in the Notice of Meeting and the Board accordingly seek approval of the members for her appointment and remuneration as the Whole time Director.

7. Particulars of Employees –

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 with in 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 taking into consideration the specific directions received from Hon'ble BIFR/ AAIFR from time to time in respect to modality, mode and method of the settlement of amounts due to the secured lenders of the Company have not provided for the interest component.

The Company has preferred and Appeal against the Order of the Honourable Judge (Senior Division) at Palghar with respect to Dahanu Property under Litigation and matter is presently sub-judis, hence the Company continues to retain possession and title to the property.

9. Auditors –

M/s. Shankerlal Jain & Associates, Chartered Accountants, having their office at Princess Street, Mumbai retire at the ensuing Annual General meeting of the Company and being eligible offer themselves for re-appointment. The Directors recommend their re-appointment as Statutory Auditors of the Company and request the members to approve the same.

BEE ELECTRONIC MACHINES LIMITED

10. Director's Responsibility Statement –

Pursuant to Section 217 (2AA) of The Companies Act, 1956 the Board of Directors of the Company confirm 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 judgment 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 and 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 the 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. Whenever 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 are 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 a part of the Annual Report. A declaration by the Whole time Director regarding the compliance with the Code of Conduct also forms a part of the Annual Report.

13. Acknowledgements –

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

The employee relations continued to be cordial throughout the year. Your Directors wish to place on record their sincere appreciation to all employees for their commitment and continued contribution to the Company.

14. Disclaimer –

The Management Discussion and Analysis contained herein is based on the information available to the Company and assumptions based on experience in regard to domestic and global economy, and also the final decisions w. r. t. pending litigations in various Courts of Law, on which the Company's performance is dependent. The Company's performance may be materially influenced by changes in economy, government policies, final judgments in the legal forums, environment and the like, on which the Company may not have any control, which could impact the views perceived or expressed herein.

For and on behalf of the Board

Sd/-

Abhilasha Bhargava
Whole time Director

Sd/-

K Sudeshkumar Acharya
Director

Date: July 31st, 2014

Place: Mumbai

MANAGEMENT DISCUSSION AND 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 growing at the rate of 30 – 35% per annum in the past with bulk of the business coming in from the replacement market and from SOHO. 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 in the urban areas seems to be largely saturated. The Company is not suitably poised to address a larger chunk of the market as it is constrained w. r. t. the product offering and has to content itself with offering the best that it can, given its present situation and in order to retain its existing customers.

FUTURE OUTLOOK

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

The Company keeps looking for opportunities to enhance its product offerings in tune with the market trends. However, it does find itself restricted at times due to financial constraints.

THREATS

The major challenges that the Company is faced with in the Office Automation industry is product obsolescence and the inability on the part 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 cheaper 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 counter these risks to the best of its 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 go on record and state that it appreciates the whole-hearted support and dedication received from employees at all levels.

CAUTIONARY STATEMENT

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

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 regulation, 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 Director's Report.

BEE ELECTRONIC MACHINES LIMITED

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of The Listing Agreement, a report on Corporate Governance is given below:-

A MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy of corporate governance is aimed at assisting the top management of the Company in efficient conduct of its business and in meeting its obligations towards all stakeholders. The Company believes that ethical business conduct is the foundation of 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 Whole time Director of the Company forms a part of this Annual Report.

2. BOARD OF DIRECTORS

The Company's Board comprises of five Directors of which two Directors hold an Executive position and the other three Directors are Independent, Non-Executive Directors.

a. Composition of the Board

NAME OF THE DIRECTOR	STATUS
Ms. Karuna Kotiyan	Non executive Director – Independent
Mr. K. Sudeshkumar Acharya	Executive Director
Mr. Venugopal R. Coontoor	Non executive Director – Independent
Mr. Rajendra Kumar Shah	Non executive Director – Independent
Ms. Abhilasha K. Bhargava	Executive Director

b. Board Meetings

The Board meetings of the Company are held at the registered office of the Company in Mumbai. The notice and agenda for the meetings are sent 7 (seven) days in advance to the Directors of the Company. The senior management team is invited to the Board meeting in order to submit reports, participate in discussions, clarify 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 4 (four) Board meetings held during the financial year 2013-14, as per provisions of Clause 49 of The Listing Agreement. The dates on which the Board met are: May 30th, 2013; July 31st, 2013; October 31st, 2013 and January 31st, 2014.

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 Kotiyan	4	4	Present	0	0
Mr. K. Sudeshkumar Acharya	4	4	Present	0	0
Ms. Abhilasha Bhargava	4	4	Present	5	0
Mr. Venugopal R. Coontoor	4	4	Present	0	0
Mr. Rajendra Kumar C. Shah	4	4	Present	0	0

3. COMMITTEES OF THE BOARD

The Board has constituted committees comprising of non-executive and independent directors to focus on critical functions of the Company and also for smooth and efficient business operations. The Committees meet at regular intervals for deciding various matters and providing directions and authorizations to the management for its implementation. The Board takes note of the material recommendation/ decisions of the Committees and approves/ deliberates and decides on them as needed.

The Board has accordingly constituted 3 (three) committees that comply with the requirements of Clause 49 of The Listing Agreement with the Stock Exchange and the applicable provisions of The Companies (Amendment) Act, 2000.

A) Audit Committee:

The Audit Committee comprises of three members of which two are Independent Directors. The constitution of the Committee comprises of Ms. Karuna Kotiyan (Chairperson), 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 on Section 29A of The Companies Act, 1956.

The Committee met 4 (four) times during the current year on May 30th, 2013, July 31st, 2013, October 31st, 2013 and January 31st, 2014. 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 comprises of Ms. Karuna Kotiyan (Chairperson), Mr. Rajendra Kumar C. Shah, Mr. K. Sudeshkumar Acharya and Ms. Abhilasha Bhargava. The Committee has been constituted to determine the remuneration package of the Directors when appointed and the Senior Management personnel.

The Committee met on one occasion i. e. on January 31st, 2014 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 were paid remuneration during the year as disclosed in Note 10 a) and b) of the 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 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/ grievances and transfer of shares as on March 31st, 2014.

The Company has designated an email 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. Email is: investors@baseelectronic.com

4. GENERAL BODY MEETINGS

Location and time for last three Annual General Meetings were:

FY	Date	Location of the meeting	Time
2010-11	30-Sep-11	266, Dr. Annie Besant Road, Worli, Mumbai - 30	09:30 a.m.
2011-12	29-Sep-12	266, Dr. Annie Besant Road, Worli, Mumbai - 30	10:30 a.m.
2012-13	30-Sep-13	266, Dr. Annie Besant Road, Worli, Mumbai - 30	10:00 a.m.

BEE ELECTRONIC MACHINES LIMITED

No Extra-Ordinary General Meetings were held during the year.

5. DISCLOSURES

- | | |
|---|---|
| (a) Disclosures on materially significant related party Transactions i. e. transaction 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 interest of the Company at large. | Details are provided in Note No. 14 under Schedule to the Notes forming part of the accounts in accordance with provisions of Accounting Standard 18. |
| (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. | None |
| (c) Disclosure on number of shares and/ or convertible Instruments held by non-executive directors | None |

6. MEANS OF COMMUNICATION

The half yearly report and quarterly results are displayed on the website of BSE i. e. www.bseindia.com and the Company website i. e. www.beeelectronic.com

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

7. GENERAL SHAREHOLDER INFORMATION

- | | |
|---|--|
| I Annual General Meeting:
Venue | Date and Time: September 30 th , 2014 at 10:00 A. M.
266, Dr. Annie Besant Road, Worli, Mumbai – 30 |
| II Financial Results Calendar
April 2014 to March 2015 | 1 st quarter results : July 31 st , 2014
2 nd quarter results : last week of October 2014
3 rd quarter results : last week of January 2015
4 th quarter results : before or by May 30 th , 2015 |
| III Date of Book closure: | September 26 th , 2014 to September 30 th , 2014
(both days inclusive) |
| IV Dividend: | N A |
| V Listing of Equity Shares on The Stock Exchanges | The Mumbai Stock Exchange |
| VI Script Code Physical | 517203 |
| VII Script Code Demat | INE038E01014 |
| VIII Registrar and Share Transfer | Adroit Corporate Service Pvt. Ltd.
19 Jaferbhoy Industrial Estate,
1 st Floor, Makwana Road,
Marol Naka, Mumbai – 59 |

IX. Share Transfer System

Transfer of share held in physical mode is processed by the Registrar and Share Transfer Agent and approved by the Share Transfer Committee pursuant to the powers granted by the Board.

No shares were transferred during the year with an average interval of 15 days between approvals.

X. Distribution of Shareholding as on March 31st, 2014:

Category	No of shares held	% of shareholding
1 Promoters holding	1,548,601	48.70
2 Institutional Mutual Funds/ Banks/ FI	8,450	0.27
3 Others:		
Indian Public	1,542,267	48.50
Bodies Corporate	74,132	2.33
NFI	6,550	0.21
Grand Total	3,180,000	100.00

XI. Dematerialization of Shares and liquidity

72.05 % of the paid-up share capital comprising of 22,91,300 shares have been dematerialized as on March 31st, 2014.

XII. Outstanding GDR's/ ADR's/Warrants/
any convertible Instrument that may have an
Impact on liquidity

Nil

XIII. Plant Location

Tarapur, Dist. Thane, Maharashtra

XIV. Correspondence Address

266, Dr. Annie Besant Road, Worli, Mumbai 400 030
CIN No. : L32100MH1981PLC025033
Tel: +91 22 2430 1873 Fax: +91 22 2430 7709
Email: investors@beeelectronic.com

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

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

I confirm that the Company has in respect of the financial year ended March 31st, 2014 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 31st, 2014

Place: Mumbai

Sd/-

Abhilasha K. Bhargava
Whole time Director

BEE ELECTRONIC MACHINES LIMITED

Certificate on Compliance of Corporate Governance for the FY 2013-14

Certificate on compliance with the conditions of Corporate Governance under clause 49 of the listing agreement.

To,

The Members of Bee Electronic Machine Limited

We have examined the compliance of conditions of corporate Governance by Bee Electronic Machines Limited for the year ended 31st March 2014 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 certificate 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. The company is a sick Industrial unit registered with BIFR.

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

Sd/-

Mruga K Vasavada

Practising company secretary

ACS 26793, CP 9647

Place: Mumbai

Dated :31st July, 2014

AUDITOR'S REPORT
FOR THE YEAR ENDED 31ST MARCH, 2014

To the Members of Bee Electronic Machines Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Bee Electronic Machines Limited**, which comprise of the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing Issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required 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;

Clause No 2(b) Non provision of interest on Excise duty payable of Rs 48,300 (up to PY Rs 483,000)

Clause No 2(c) Non provision of property tax of Rs 67,751 (up to PY Rs 630,418)

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

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

BEE ELECTRONIC MACHINES LIMITED

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. 581,279;

Clause No 7 (b) regarding non-provision of interest of Rs 171.88 lacs;

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

2. 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. 6,08,52,542/- as against the reported loss figure of Rs 998,287/- and the accumulated loss would have been Rs 18,41,10,346 as against the reported figure of Rs.12,42,56,091 give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 our audit;
 - b) in our opinion proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books for the purposes of our audit;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place: Mumbai
Date : 30th May, 2014

For SHANKARLAL JAIN & ASSOCIATES
Chartered Accountants
Firm Reg. No.109901 W
S.L. AGRAWAL
(PARTNER)
Membership No. 72184

The Annexure referred to in the Auditors' Report to the Members of Bee Electronic Machines Limited for the year ended 31 March, 2014.

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 our 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.
- 3.1. 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. Loan is taken to the extent of Rs 60,87,000/- from one party.
- 3.2. 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. Hence relevant clause is not applicable.
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.
- 05 b. 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 56 A and 56 AA of the Companies Act, and the rules framed there under 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 product 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 318,793/-, service tax of Rs 24,663 profession tax Rs 7,768/-, and Excise duty Rs 322,000/-

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	4,34,18,614	1991 to 1994	CESTAT
Central Excise Act, 1944	Excise duty	7,476,179	1993 to 1997	CESTAT
Sales Tax Act	Sales tax	1,349,432	1997-98	Gujarat Sales Tax Tribunal Ahmedabad
Sales Tax Act	Sales tax	1,303,900	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	43,686	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	97,361	2001-2002	The Joint Commissioner (Appeal) - 6, Trade tax Lucknow

10. According to the information and explanations furnished to us

- a) it has accumulated losses at the end of the financial year of Rs 12,42,56,091
- b) During the year the company has incurred a cash loss of Rs 585,844 and in the immediately preceding financial year the company had incurred a loss of Rs 388,955/-.

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 4215.16 lacs to the financial institutions and banks. (Including Rs 3030.65 lacs unprovided 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 from the public issue 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.

Place: Mumbai
Date : 30th May, 2014

For SHANKARLAL JAIN & ASSOCIATES
Chartered Accountants
Firm Reg. No.109901 W
S.L. AGRAWAL
(PARTNER)
Membership No. 72184

BEE ELECTRONIC MACHINES LIMITED

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 March 31st, 2014 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, 2014 are fraudulent, illegal or violate 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.

For and on behalf of the Board

Sd/-
Abhilasha Bhargava
Whole time Director

Sd/-
Umesh R Phalorh
Chief Financial Officer

May 30th, 2014
Place: Mumbai

Balance Sheet as at 31st March, 2014

	Note No.	31st March, 2014 Amount (Rs.)	31st March, 2013 Amount (Rs.)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	31,800,000	31,800,000
(b) Reserves and surplus	2	(111,081,091)	(110,082,804)
2 Non-current liabilities			
Long-term borrowings	3	6,263,561	5,817,561
3 Current liabilities			
(a) Short-term borrowings	4	118,450,582	118,450,582
(b) Trade payables	5	1,661,913	1,588,051
(c) Other current liabilities	6	925,998	896,268
TOTAL		48,020,963	48,469,658
B ASSETS			
1 Non-current assets			
(a) Tangible Fixed assets	7	5,898,255	6,310,698
(b) Non-current investments	8	27,000	27,000
(c) Long-term loans and advances	9	918,198	940,404
2 Current assets			
(a) Inventories	10	40,925,018	40,969,896
(b) Trade receivables	11	58,399	60,402
(c) Cash and cash equivalents	12	190,893	156,458
(d) Short-term loans and advances	13	3,200	4,800
TOTAL		48,020,963	48,469,658
See accompanying notes forming part of the financial statements	19		

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 : 30th May, 2014

Sd/-
Abhilasha Bhargava
Wholetime Director

Sd/-
K Sudeshkumar Acharya
Director

Sd/-
Umesh R. Phalorh
Chief Financial Officer

Sd/-
Mr. Venugopal R. Coontoor
Director

BEE ELECTRONIC MACHINES LIMITED

Statement of Profit and Loss for the year ended 31 March, 2014

Particulars	Note No.	For the Year Ended 31st March, 2014 Amount (Rs)	For the Year Ended 31st March, 2014 Amount (Rs)
A. CONTINUING OPERATIONS			
1 Revenue from operations (gross)	14	799,785	1,429,486
2 Other income	15	749,912	674,160
3 Total revenue (1+2)		1,549,697	2,103,646
4 Expenses			
(a) Cost of materials consumed	16 a	141,359	361,382
(b) Purchases of stock-in-trade	16 b	44,476	486,930
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	16 c	-	-
(d) Employee benefits expense	17	659,009	809,354
(e) Depreciation expense		412,443	412,443
(f) Other expenses	18	1,290,132	834,935
Total expenses		2,547,419	2,905,044
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(997,722)	(801,398)
6 Add:- Exceptional items		-	-
7 Profit / (Loss) before tax (5 - 6)		(997,722)	(801,398)
Earlier year's tax adjustments		(565)	-
8 Profit / (Loss) from continuing operations (9 + 10)		(998,287)	(801,398)
9 Earnings per share with continuing operations (of Rs 10/- each):			
(a) Basic		(0.31)	(0.25)
(b) Diluted		(0.31)	(0.25)
10 Earnings per share (excluding exceptional items) (of Rs 10/- each):			
(a) Basic		(0.31)	(0.25)
(b) Diluted		(0.31)	(0.25)
See accompanying notes forming part of the financial statements	19		

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 : 30th May, 2014

Sd/-
Abhilasha Bhargava
Wholetime Director

Sd/-
K Sudeshkumar Acharya
Director

Sd/-
Umesh R. Phalorh
Chief Financial Officer

Sd/-
Mr. Venugopal R. Coontoor
Director

Cash Flow Statement for the year ended 31 March, 2014

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	(997,722)	(801,398)
<u>Adjustments for:</u>		
Depreciation and amortisation	412,443	412,443
Provision for impairment of fixed assets and intangibles	-	-
Interest income	(5,909)	-
	<u>406,534</u>	<u>412,443</u>
Operating profit / (loss) before working capital changes	(591,188)	(388,955)
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	44,878	94,304
Trade receivables	2,003	98,339
Short-term loans and advances	1,600	1,600
Long-term loans and advances	22,206	78,081
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	73,862	(89,326)
Other current liabilities	29,730	21,103
	<u>174,279</u>	<u>204,101</u>
Cash generated from operations	(416,909)	(184,854)
Net income tax (paid) / refunds	(565)	-
Net cash flow from / (used in) operating activities (A)	<u>(417,474)</u>	<u>(184,854)</u>
B. Cash flow from investing activities		
Interest received	5,909	0
Net cash flow from / (used in) investing activities (B)	<u>5,909</u>	<u>-</u>
C. Cash flow from financing activities		
Proceeds from long-term borrowings	446,000	180,000
Net cash flow from / (used in) financing activities (C)	<u>446,000</u>	<u>180,000</u>
Net Increase / (decrease) in Cash and cash equivalents (A+B+C)	34,434	(4,853)
Cash and cash equivalents at the beginning of the year	156,458	161,311
Cash and cash equivalents at the end of the year	<u>190,893</u>	<u>156,458</u>
See accompanying notes forming part of the financial statements	19	

Note : - The above cash flow statement is prepared using the indirect method in accordance with Accounting Standard-3

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 : 30th May, 2014

Sd/-
Abhilasha Bhargava
Wholetime Director

Sd/-
K Sudeshkumar Acharya
Director

Sd/-
Umesh R. Phalori
Chief Financial Officer

Sd/-
Mr. Venugopal R. Coontoor
Director

BEE ELECTRONIC MACHINES LIMITED

Notes forming part of the financial statements

Particulars	As at 31 March, 2014 Amount (Rs.)	As at 31 March, 2013 Amount (Rs.)
Note 1 Share capital		
(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
Total	31,800,000	31,800,000
Notes		
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 Bfargava holds 1,417,150 shares constituting 44.56% shares		
Note 2 Reserves and surplus		
(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	(123,257,804)	(122,456,406)
Add: Profit / (Loss) for the year	(998,287)	(801,398)
Closing balance	(124,256,091)	(123,257,804)
Total	(111,081,091)	(110,082,804)
Note 3 Long-term borrowings		
Unsecured		
(a) Maharashtra Package Scheme Incentive	176,561	176,561
(b) Unsecured Loans from related parties	6,087,000	5,641,000
Total	6,263,561	5,817,561
Note 4 Short-term borrowings		
(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	13,125,000
(b) Working Capital Loan from Banks Secured { also refer note 20, clause (7) }		
Canara Bank	31,951,559	31,951,559
Standard Chartered Bank	42,933,986	42,933,986
ARCIL - Bank of Tokyo Mitsubishi Ltd	30,440,037	30,440,037
Total	118,450,582	118,450,582

Notes forming part of the financial statements**Notes:****(I) Details of Non convertible debentures to UTI**

Particulars	Terms and conditions*	As at 31 March, 2014 Secured	As at 31 March, 2013 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
Total		13,125,000	13,125,000

* 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, 2014	As at 31 March, 2013
Note 5 Trade payables (Other than SSI)	1,661,913	1,588,051
Total	1,661,913	1,588,051
Note 6 Other current liabilities		
Other payables		
a) Statutory liabilities	575,598	571,868
b) Unsecured advance received from parties	350,400	324,400
Total	925,998	896,268

Note 7 Fixed Assets

Fixed Assets Annexed to and forming part of the Balance Sheet as on 31st March, 2014

Tangible Assets Particulars	Gross Block (AT COST)			Depreciation					Net Block	
	As on 01.04.2013 Rupees	Additions Rupees	Deletions Rupees	Total as on 31.03.2014 Rupees	Upto 01.04.2013 Rupees	For the Year Rupees	Deductions Rupees	Upto 31.03.2014 Rupees	As on 31.03.2014 Rupees	As on 31.03.2013 Rupees
Freehold Land	845,704	-	-	845,704	-	-	-	-	845,704	845,704
Leasehold Land	224,100	-	-	224,100	65,785	2,359	-	68,144	155,956	158,315
Buildings	13,130,139	-	-	13,130,139	9,133,372	410,084	-	9,543,456	3,586,683	3,996,767
Plant and Machinery	24,666,763	-	-	24,666,763	24,213,071	-	-	24,213,071	453,692	453,692
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	55,518,886	412,443	-	55,931,329	5,898,255	6,310,698
Previous Year	61,829,584	-	-	61,829,584	55,106,443	412,443	-	55,518,886	6,310,698	6,723,141

Notes forming part of the financial statements

Particulars	As at 31 March, 2014 Amount (Rs.)	As at 31 March, 2013 Amount (Rs.)
Note 8 Non-current investments		
Investments (At cost) (Unquoted)		
Investment in government securities - 6 year NSC VIII issue (Pledged with Sales tax authorities)	27,000	27,000
Total	27,000	27,000
Note 9 Long-term loans and advances		
Unsecured, considered good (except otherwise stated separately)		
(a) Security deposits	772,243	797,243
(b) Loans and advances to related parties	52,633	52,633
(c) Loans and advances to employees	18,402	18,402
(d) Advance income tax	74,920	42,126
(e) Other loans and advances	-	30,000
Total	918,198	940,404
Note 10 Inventories		
(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	16,535,690	16,580,568
Total	40,925,018	40,969,896
Note 11 Trade receivables		
Unsecured, considered good		
a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment	1,013	4,667
b) Other Trade receivables	57,386	55,735
Total	58,399	60,402
Note 12 Cash and Bank Balances		
(a) Cash on hand	29,281	28,091
(b) Balances with banks in current accounts	161,612	128,367
Total	190,893	156,458
Note 13 Short-term loans and advances		
Unsecured, considered good		
Prepaid expenses	3,200	4,800
Total	3,200	4,800

BEE ELECTRONIC MACHINES LIMITED

Statement of Profit and Loss for the year ended 31 March, 2014

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Note 14 Revenue from operations		
(a) Sale of products		
Traded goods		
Photocopier cum printers	50,000	599,701
Accessories of photocopiers	-	19,969
Spares and Consumables of Photocopier / Printer	382,077	616,632
(b) Sale of services - After sales services of Copier machines	367,708	193,184
Total	799,785	1,429,486
Note 15 Other Income		
(a) Interest income		
Interest on income tax refunds	5,909	-
(b) Other non-operating income - Compensation received	744,003	874,160
Total	749,912	874,160
Note 16.a Cost of materials consumed		
a. Opening stock	16,580,568	16,674,872
b. Add: Purchases	96,481	267,078
	16,677,049	16,941,950
c. Less: Closing stock	16,535,690	16,580,568
Cost of material consumed (a+b-c)	141,359	361,382
Details of consumption of imported and indigenous items		
Indigenous Spare parts and consumables	141,359	361,382
	100%	100%
Note 16.b Purchase of traded goods		
Photocopier cum printer	44,476	486,930
Total	44,476	486,930
Note 16.c Changes in inventories of finished goods, work-in-progress and stock-in-trade		
<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
Total A	24,389,328	24,389,328
<u>Inventories at the beginning 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
Total B	24,389,328	24,389,328
Net increase / (decrease)	(A - B)	

Statement of Profit and Loss for the year ended 31 March, 2014

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Note 17 Employee benefits expense		
Salaries and wages	544,920	609,534
Contributions to provident and other funds	114,089	174,520
Staff welfare expenses	-	25,300
Total	659,009	809,354
 Note 18 Other expenses		
Water	29,484	24,276
Rent including lease rentals	30,403	28,833
Repairs and maintenance - others	27,708	13,944
Rates and taxes	3,040	44,030
Telephone and Postage	44,393	38,006
Security Service charges	98,315	168,537
Printing and stationery	39,375	40,956
Listing fees & share transfer chgs	67,831	120,836
Sales tax paid	30,318	77,940
Service Tax paid	106,685	65,752
Legal and professional	469,827	153,500
Payments to auditors	31,474	29,650
Electricity charges	6,395	10,488
Travelling and Conveyance	9,640	14,108
Miscellaneous expenses	295,244	4,080
Total	1,290,132	834,935

BEE ELECTRONIC MACHINES LIMITED

NOTE 19:- FORMING PARTS OF ACCOUNTS AS ON 31ST MARCH 2014

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 is made as under:

- i) Raw materials, spares and consumable : at cost
- ii) Work-in progress : at estimated cost of production
- iii) 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. Sale includes amounts recovered / recoverable towards excise duty and sales tax.
- ii) Revenue from services rendered is 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. 196,892).
- (b) Interest on Excise duty payable of Rs 531,300/- (Rs 483,000/-) has not been provided for.
- (c) Property tax has not been provided for Rs 698,169/- (PY Rs. 630,418/-)
- 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. Due to this, loss for the year is understated. Total accumulated non provision of interest is Rs 307.45 lacs (PY Rs 288.70 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 loss for the year is understated by Rs 93,750/- and secured loans is also understated to that extent. Accumulated interest Rs 15,00,000/- has not been provided for. (PY Rs 14,06,250)
- 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 581,279 (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 on-going 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 interest would be waived off. Due to this, the loss is understated to that extent. Total accumulated non provision of interest is Rs 2723.20 lacs (PY Rs 2551.32 lacs)

BEE ELECTRONIC MACHINES LIMITED

- 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 409.83 lacs as against the total working capital of Rs 1053.26 lacs. Hence the secured loan is unsecured to that extent.
- e) The Hon'ble Board for Industrial and Financial Reconstruction (BIFR), New Delhi in furtherance to their earlier directions in the hearing on 12th March 2012 ruled and directed that the Company is permitted to sell its surplus assets to settle its secured creditors and statutory liabilities. The Bench of the Hon'ble BIFR accordingly directed Canara Bank (Operating Agency) to constitute an Asset Sales Committee (ASC) to sell the Company's surplus assets at Tarapur and Daman. The Operating Agency floated a tender for sale of the two properties. The ASC received a total of 5 (five) bids and at the hearing of Hon'ble BIFR held on 15 April 2013, the Hon'ble BIFR directed the Company and the Operating Agency to accept the highest bid received for Rs 270 lacs. Hon'ble BIFR further directed that the sale proceeds of Rs. 270 lacs be utilized a) to meet all the statutory liabilities of the company, b) the cost incurred by Operating Agency in issuing advertisement and c) the cost of valuation done by ARCIL. The balance left with to be shared by all the secured lenders on a pro rata based on the liability outstanding on a common date. The Company has accordingly identified the following statutory dues 1) Employee dues Rs 53.85 lacs 2) Excise dues Rs 14.75 lacs 3) Sales tax dues Rs 1.71 lacs 4) Electricity Exps Rs 2 lacs, water & Fire cess Rs 2.10 lacs, Transfer charges Rs 7.83 lacs and security charges Rs 0.55 lacs relating to the above properties sold 5) Service tax dues Rs 0.24 lacs 6) Profession tax dues Rs 0.08 lacs 7) Stock Exchange and STA dues Rs 4.70 Lacs 8) SICOM dues Rs 3.30 lacs 9) Consumer forum cases Rs 2.62 lacs 10) Capital Gain tax arising on the sale of properties-Rs 65 lacs.
- f) The Company has had to prefer an Appeal before Hon'ble AAIFR as the lenders have taken a contrary view than agreed upon earlier and have taken a stand that Capital Gains Tax and such similar liabilities are not statutory in nature and hence should not be paid from the sale proceeds of Rs 270 lacs. Their other contention is that once the balance Sale proceeds are shared amongst the lenders, the settlement would not be full and final but only part settlement of dues; a stand which is contrary to the understanding reached earlier and hence the Appeal. The matter is presently before the Hon'ble AAIFR. The Company continues to hold possession of the said assets. Necessary accounting effects shall be given in the books at the time of final settlement.
- 8) Inventories of finished goods, Raw materials and Spares include value of old / slow moving stocks of Rs. 401 lacs; the realizable value of this stock is estimated at Rs. 1 lac 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:

	<u>Current Year</u>	<u>Pervious Year</u>
Audit fees	28,090	28,090
Out of pocket expenses	1,760	1,560
Company Law matters	1,624	0
Total Rs.	<u>31,474</u>	<u>29,650</u>

10) (a) Managerial remuneration Includes

Salaries	141,000	141,000
Perquisites	125,520	125,520
Total remuneration	<u>266,520</u>	<u>266,520</u>
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, 2014.
- 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:** -
- 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.
 - 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 had in earlier years carried out assessment of impairment test as per the Accounting Standard (AS) 28 and have provided for impaired loss in the books. However, no such impairment is carried out in the current year.
- 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) Flexcord Cables Private Limited

Key Management Personnel (KMP)

a) Ms Abhilaasha Bhargava - Wholetime Director

b) Mr. Umesh K Phalorh - Chief Financial Officer

c) Mr. K Sudeshkumar - Director

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:

	Associates	KMP	Relatives of KMP	Total
Remuneration	-	554,520	-	554,520
	-	(554,520)	-	(554,520)
Loans Taken	-	60,87,000	-	60,87,000
	-	(56,41,000)	-	(56,41,000)
Balance Payable	-	10,727	-	10,727
	-	(29,327)	-	(29,427)
Balance receivable	52,633	-	-	52,633
	(52,633)	-	-	(52,633)

BEE ELECTRONIC MACHINES LIMITED

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

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Earnings per share		
<u>Basic</u>		
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations		
attributable to the equity shareholders	(998,287)	(801,368)
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	(0.31)	(0.25)
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	(998,287)	(801,368)
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	(0.31)	(0.25)
<u>Basic (excluding extraordinary items)</u>		
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	(998,287)	(801,368)
Add / (Less): Extraordinary items (net of tax) relating to continuing operations	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders,		
excluding extraordinary items	(998,287)	(801,368)
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	(0.31)	(0.25)
<u>Diluted (excluding extraordinary items)</u>		
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	(998,287)	(801,368)
Add / (Less): Extraordinary items (net of tax)	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders,		
excluding extraordinary items	(998,287)	(801,368)
Profit / (loss) from continuing operations		
attributable to equity shareholders (on dilution)	(998,287)	(801,368)

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	(0.31)	(0.25)
16 Contingent liabilities	As at	As at
(to the extent not provided for)	31 March, 2014	31 March, 2013
Contingent liabilities		
(a) Claims against the Company not acknowledged as debt**	24,863,538	25,028,538
(b) Disputed Excise Duty Liability	51,284,133	51,284,133
(c) Disputed Sales tax Liability	4,021,385	4,021,385

*** In the case pending before The Civil Judge (Senior division), Palghar filed against the Company by M/s. K. Rohit Grinders, Dahanu in 2008 for specific performance of alleged Agreement for Sale signed between the Company and the said party for the sale of the Company's property at Dahanu. The case was decided against the Company. The Company has been asked to complete the transaction and handover possession of the property by accepting Rs.26.06 lacs being the amount payable by the party in 1999 when the Agreement for Sale had been signed. It is the Company's case that the Company now being registered with Hon'ble BIFR, the Company cannot enter, complete and/ or execute any transaction relative to the assets of the Company without consent of BIFR. It is further understood that said Agreement for Sale had been terminated and there exists no contract between the parties as on date. Being aggrieved by the Order passed, the Company has preferred an Appeal in The High Court of Judicature at Bombay. The case is registered and is now being heard for admission and other judicial consideration. The possession of the Dahanu factory continues with the company.

17) 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.

In terms of our report attached.

For Shankarlal Jain & Associates

Chartered Accountants

Firm Registration no 109901W

Sd/-

S.L. Agrawal

Partner

Place : Mumbai

Dated : 30th May, 2014

For and on behalf of the Board of Directors

Sd/-

Abhilasha Bhargava
Wholetime Director

Sd/-

K Sudeshkumar Acharya
Director

Sd/-

Umesh R. Phalorh
Chief Financial Officer

Bee Electronic Machines Limited
266, Dr Annie Besant Road, Worli, Mumbai 400018

Additional information may please be submitted to the share transfer agent to serve you better

Registered Folio No / Dp id / Client id

No of shares held

Name of the First Shareholder

Full Address with Pincode

PAN of the first Shareholder

Telephone / Mobile no

Email id

Bank Name

Bank Address

Bank Account number

Account Type (Savings / Current)

MICR no (9 digits)

IFS Code (11 digits)

Declaration

I state that the above information is true to the best of my knowledge and belief

Date _____

Place _____

Signature of the first Shareholder

Note: We request you to kindly submit the above data base directly to our Share Transfer Agent

BEE ELECTRONIC MACHINES LIMITED

CIN No. : L32100MH1981PLC025033

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

Attendance Slip

(Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management & Administration) Rules, 2014)

Registered Folio no / DP Id no / Client id no: _____

Number of Shares held: _____

I certify that I am a member / Proxy for the member of the company.

I hereby record my presence at the THIRTY SECOND ANNUAL GENERAL MEETING of the company at 266 Dr. Annie Besant Road, Worli, Mumbai 400030 on 30.09.2014 at 10.00 a.m.

Name of the Member / Proxy

Signature of the Member / Proxy

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

BEE ELECTRONIC MACHINES LIMITED

CIN No. : L32100MH1981PLC025033

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

Proxy Form

(Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management & Administration) Rules, 2014)

Name of the Member: _____

Registered Address: _____

Email: _____

Folio Client id: _____

DP ID: _____

We _____ of _____ being a member / members of the above named company, hereby appoint

Name _____

Email id _____

Address _____

Signature _____

Or Failing him

Name _____

Email id _____

Address _____

Signature _____

Or Failing him

Name _____

Email id _____

Address _____

Signature _____

Revenue
Signature
Stamp
Rs.1/-

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.