



Beeyu Overseas Limited

BOARD OF DIRECTORS

Mr. Birendra Pratap Singh, *Chairman & Managing Director*
Ms. Rajinie Singh, *Dy. Managing Director*
Mrs. Usha Singh
Mr. Binoy Krishna Banerjee
Mr. Arabinda Bose
Mr. Ram Gopal Bhattacharjee

GM (FINANCE) & CO. SECRETARY

Mr. Mahendra Kumar Dutia

AUDITORS

Price Waterhouse
Plot No. Y-14, Block-EP
Sector V, Bidhan Nagar, Kolkata 700 091

REGISTRAR & SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane (Surendra Mohan Ghosh Sarani)
2nd Floor, Kolkata 700 001
Phone : (033) 2243-5029 / 5809, 2248-2248
Fax: (033) 2248-4787
E-mail: mdpl@cal.vsnl.net.in

REGISTERED OFFICE

Beeyu Overseas Limited
Fulhara (Bhimgachh)
P. O.: Ramganj
Block : Islampur
Dist. Uttar Dinajpur 733 207 (W.B.)
Phone: 99324 69364

CORPORATE OFFICE & COMMUNICATION ADDRESS

Beeyu Overseas Limited
"Beeyu House"
64A, Ballygunge Circular Road
Kolkata 700 019
Phone: (033) 2280-9267/68/69,
2290-7162, 2287-7770
Fax: (033) 2280-9270
E-mail: beeyu@beeyuoverseas.com

BANKERS

State Bank of India, AXIS Bank Limited

OFFICES IN INDIA

COCHIN

CHAKOLAS HABITAT

8C, Block - B
Thevra Ferry Road
Kochi 682 013, Kerala
Phone : 0484-4045331/2662267

TEA FACTORY-OOTY

Ooty Rural, Doddabetta Panchayat
Near Government
Chincona Plantations, Ooty - 643 002
Phone : (0423) 2507-058/577/578
Telefax: (0423) 2507-576
E-mail: beeyuooty@sancharnet.in

BOARD COMMITTEES	Directors
Audit Committee	1. Mr. Arabinda Bose - <i>Chairman</i> 2. Mr. R. G. Bhattacharjee 3. Mr. B. P. Singh
Investors Grievance Committee	1. Mr. R. G. Bhattacharjee - <i>Chairman</i> 2. Mr. B. P. Singh 3. Mrs. Usha Singh

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NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the members of Beeyu Overseas Limited will be held at the Registered Office of the Company at Fulhara (Bhimgachh), P.O. Ramganj, Block: Islampur, Dist. Uttar Dinajpur – 733 207, West Bengal, on Wednesday, 23rd day of September, 2009 at 11.00 a.m. to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2009, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Birendra Pratap Singh, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Usha Singh, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. H. K. Agrawal & Co., Chartered Accountants, 125, Netaji Subhas Road, 5th Floor, Kolkata – 700 001, as the Statutory Auditors of the Company in place of M/s Price Waterhouse, current auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Corporate Office:
"Beeyu House",
64A, Ballygunge Circular Road,
Kolkata – 700019
Date : 18th August, 2009.

By Order of the Board of Directors

MAHENDRA KUMAR DUTIA
GM (Finance) & Company Secretary

Notes:

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. **THE PROXY FORMS TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
4. Shareholders are requested to bring their copy of Annual Report to the meeting.
5. Members / Proxies should fill the Attendance Slip for attending the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID number and those who hold shares in Physical Form are requested to write their Folio Number in the Attendance Slip for attending the meeting.
6. In case of joint holders attending the meeting only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 18th September, 2009 to 23rd September, 2009 (both days inclusive).
8. Documents, if any, referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.
9. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
10. Consequent upon the introduction of the Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nomination, are requested to send their request in Form 2B (which will be made available on request) to the Registrar and Share Transfer Agent.

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Sixteenth Annual Report to the members together with the Audited Accounts for the financial year ended 31st March, 2009.

SOCIO-ECONOMIC ENVIRONMENT

The global meltdown has had an impact on the Indian Economy which was on the growth path over the last 5 years with increase in foreign exchange reserves and GDP. India's GDP registered a growth of 6.7% during FY09 as against 9% during FY08. While agriculture sector registered a growth of 1.6% during FY09, industry & services sectors grew by 3.88% and 9.67% respectively. During the fourth quarter of FY09, India's GDP grew by 5.8% (y-o-y) as against 8.6% during Q4 FY08.

Your Company remains committed to all social and economic objectives and continue to enlarge its contribution wherever possible.

FINANCIAL RESULTS

	Year ended 31st March, 2009 Rs. in lacs	Year ended 31st March, 2008 Rs. in lacs
Profit/(Loss) Before Tax	(1759.12)	(225.61)
Less: Provision for taxation:	54.19	30.65
Profit/(Loss) After Tax	(1704.93)	(194.96)
Less: Balance Brought forward from last year	—	3.07
Amount available for Appropriation	(1704.93)	(191.89)

APPROPRIATIONS

Balance carried to Balance Sheet	(1704.93)	(191.89)
	<u>(1704.93)</u>	<u>(191.89)</u>

Disclosure relating to Discontinuing Operations

Loss Before Taxation from Continuing Operations	(678.96)	—
Less: Provision for Taxation	4.59	—
Loss After Tax from Continuing Operations	(674.37)	—
Loss Before Taxation from Discontinuing Operations	(1080.16)	—
Less: Provision for Taxation	49.60	—
Loss After Tax from Discontinuing Operations	<u>(1030.56)</u>	<u>—</u>

Due to the reasons stated at Point I & II under 'Review of Operations' below, the Profit & Loss Figures for the current year have been segregated into Continuing Operations & Discontinuing Operations as laid down under Accounting Standard – 24 issued by the Institute of Chartered Accountants of India. This being the first year, figures of the previous year have not been segregated.

DIVIDEND

Owing to the loss incurred during the year, your Company did not consider it prudent to recommend any dividend for the year under review.

REVIEW OF OPERATIONS

The operating results of the current year were negatively impacted owing to the following reasons:-

1. The Company is not carrying out any tea manufacturing activity at its unit located in Ooty, Tamilnadu, since August, 2008, due to the fact that the Tea Board of India has revoked the factory's registration under the provisions



- of Tea (Marketing) Control Order, 2003 issued under the provisions of the Tea Act, 1953.
- II. The Company, therefore, decided to change its business model from manufacturing to trading in tea. Moreover, in order to generate Working Capital as well as reduce Borrowings, the Board decided to sell, lease or otherwise dispose of – a) the residual land of 6.95 acres including the tea factory at Ooty along with all fixed assets such as plant, machinery, estate and development, etc. which are directly or indirectly required to run the factory, and b) the Corporate Office Building of the Company at Kolkata. The proposal had been duly approved by Shareholders under Section 293(1)(a) by means of Postal Ballot in December, 2008. The sale is yet to be finalized.
 - III. Loss of Turnover and under-recovery of expenses, including depreciation and interest, resulted in high operating losses.
 - IV. The Company's borrowing from State Bank of India was restructured twice. Once the working capital credit facilities and term loans were converted to Working Capital Term Loan. Next the interest on Working Capital Term Loan was also converted into Working Capital Term Loan. The total amount of Working Capital Term Loan as on date amounted to Rs. 11,27,00,000/-. Now the amount is required to be paid in 3 quarterly installments starting from September, 2009.
 - V. The major areas where the Company suffered losses were as follows:-
 1. Foreign Exchange Loss of Rs 3.85 crore owing to weakening of the Rupee against the US Dollar and particularly since Exports were discontinued after Closure of operations at the Ooty Factory in August 2008.
 2. Since the factory operations have remained closed since August 2008, tea stocks have deteriorated particularly since tea is a perishable commodity. Moreover, stock of firewood and packing materials have been subject to damage and obsolescence. Therefore, write off of Rs. 557.62 lac has been made against the above stocks.
 3. The normal operations of the Company's wholly owned subsidiary Neelkanth Tea Company Ltd. (NTCL), has become unviable due to continuous losses being incurred by the Company. Hence, the Board had to sell-off the Company's entire investments in NTCL. The total impact of the loss on account of the Sale amounted to Rs 4.30 crore.
 4. In addition to the above, finance cost of Rs 1.10 crore and depreciation of Rs 1.20 crore have contributed to increasing the losses.

ACTION PLAN

In 2009-10, action plan has been put in place to ensure that costs are reduced, turnover enhanced and over-all margin increased:-

- Your Company is required to give notice that it is coming under the purview of BIFR, owing to erosion of more than 50% of its net worth.
- As had been mentioned in the previous year, out of the 46.95 acres of land owned and occupied by the tea division of the Company at its Ooty factory, such portion of the vacant land measuring approximately 40 acres, with a little more or less, which was unutilized and unproductive is in the process of being sold for which shareholders approval has been obtained by the Company. Your Company has till June 2008, received an advance of about Rs. 778.67 lacs. Owing to the downturn in the Real Estate market the buyer is unable to finalize the Sale but it is expected that the transaction will be completed at the earliest. At the same time, your Company is endeavouring to finalize the sale of the Company's Head Office Building in Kolkata as well as the Factory at Ooty. Once these transactions are completed the liquidity position of the Company will improve substantially and the business model of trading can start in full swing.

SIGNIFICANT DEVELOPMENTS

The shareholders might recall that during the previous year it was reported that the sale of approximately 40 acres of unutilized and unproductive land at Ooty factory, for which shareholders approval had already been obtained earlier, was expected to be concluded within the year 2008-09. But due to the sudden economic downturn the sale could not be completed. Your directors' are hopeful of completing the deal during the current year.

Besides the above, shareholders approval was also obtained through postal ballot means to sell, lease or otherwise dispose of a) the factory including land of approximately 6.95 acres at Ooty, and b) the Corporate Office at Kolkata. Your directors' are hopeful of completing the deal during the current year.

Upon completion of the above transactions the liquidity position of the Company will improve substantially and the business model of trading can start in full swing.



In the earlier year's report, your Directors proposed the merger of Neelkanth Tea Company Limited, the then subsidiary of your company, with Beeyu Overseas Limited, subject to obtaining requisite approvals. Subsequently, the operations of Neelkanth Tea Company Limited became unviable and had adversely impacted the liquidity position of the Company and hence to ensure smooth operations of Beeyu Overseas Limited, it was decided to dispose of the investment held by the Company in Neelkanth Tea Company Limited. Your Directors are glad to inform that the same had since been completed and the effect of the same has been given in the books of account during the year under review.

DIRECTORS

During the period under review, Mr. Sharat Kumar Jain and Mr. Ravi Singh resigned as Directors from your Company. Your Directors would like to record their sincere appreciation for the valuable services rendered by them during their tenure as Directors.

In terms of Article 142/143 of the Articles of Association of the Company, Mr. Birendra Pratap Singh and Mrs. Usha Singh shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. Brief particulars and expertise of these Directors have been given in the Notice of the Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed with no material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance together with the Auditors' Compliance Certificate and Management Discussions and Analysis Report is annexed to this Annual Report.

SUBSIDIARY COMPANY

As reported elsewhere in this report that as of 31st March, 2009, Neelkanth Tea Company Limited no longer remained the subsidiary of the Company. However, in accordance with Accounting Standard 21, Consolidated Financial Statement, the Consolidated Financial Statement has been prepared incorporating the accounts of Neelkanth Tea Company Limited till the date of sale of investment i.e., 18th March, 2009 which forms part of this Report and Accounts. Since Section 212 of the Companies Act, 1956, is not applicable, statement as required under the said section is not annexed.

JOINT VENTURE WITH TATA COFFEE LIMITED

During the year under review, Beeyu Overseas Limited has divested its entire holding of 3,300 equity shares in Alliance Coffee Limited and therefore Beeyu Overseas Limited ceased to have any interest, whether directly or indirectly, in the joint venture. However, the extent of Company's interest in Joint Venture pursuant to Accounting Standard 27, till its divestment, is reported in Notes to the Accounts. It also forms part of the Consolidated Financial Statement.

DELISTING OF SECURITIES FROM SOME STOCK EXCHANGES

During the period under review, the Company's securities were delisted from the Calcutta Stock Exchanges and Inter-connected Stock Exchange of India Limited, Navi Mumbai respectively. The Company's securities shall however continue to remain listed on The Bombay Stock Exchange Limited and Coimbatore Stock Exchange Limited.

**INVESTORS EDUCATION & PROTECTION FUND**

There were no amount due for deposit to the Investors Education and Protection Fund Account set-up by the Central Government, pursuant to the provisions of Section 205C of the Companies Act, 1956.

However, unpaid / unclaimed dividend shown in the following table shall be deposited as and when they become due.

Financial Year to which the dividend relates	Date of Declaration of Dividend	Last date for claiming dividend	Due Date for transfer to IEPF Account of the Central Government
2001-02	27.09.2002	26.09.2009	26.10.2009
2002-03	20.09.2003	19.09.2010	19.10.2010
2003-04	06.09.2004	05.09.2011	05.10.2011
2004-05	14.06.2005	13.06.2012	13.07.2012

Members who have not so far encashed their dividend warrant(s) are requested to seek issue of duplicate warrant(s) / revalidation of the existing warrants by writing at the Company's Corporate Office at 'Beeyu House', 64A, Ballygunge Circular Road, Kolkata - 700 019 immediately. Members are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment as set out in column 3 above and no payment shall be made in respect of any such claims.

POSTAL BALLOT

Postal ballot was conducted by the Company in December 2008, to obtain shareholders approval to sell, lease or otherwise dispose of a) the factory including land of approximately 6.95 acres at Ooty, and b) the Corporate Office at Kolkata. The result of the postal ballot is carried in the Corporate Governance Report. The Directors thank the shareholders for reposing faith in the Management and giving overwhelming majority for the resolutions passed through it.

AUDITORS

M/s Price Waterhouse, Chartered Accountants, the Statutory Auditors of the Company, retires as the Auditors on conclusion of the forthcoming Annual General Meeting. They have expressed their unwillingness to be re-appointed.

The Board has therefore decided to appoint H. K. Agrawal & Co., Chartered Accountants, 125, Netaji Subhas Road, 5th Floor, Kolkata - 700 001, as the Statutory Auditors of the Company, to replace M/s Price Waterhouse. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956. Necessary resolution for appointment of H. K. Agrawal & Co., as Statutory Auditors of the Company is carried in the AGM Notice of the Company. Accordingly, their appointment is recommended by the Board of Directors.

AUDITORS' OBSERVATIONS

Clarifications to the auditors' qualification/other reservations in their Audit Report dated 7th July, 2009:-

- i) company's current liabilities exceeding its current assets;
- ii) the company has not repaid the principal amount within the stipulated period and has failed to pay interest on term loan to the Bank during the year ended 31st March, 2009;
- iii) provision not made towards the liability of Income Tax pursuant to the order passed by the Income Tax Appellate Tribunal;



- iv) Comparative information of prior period segregating assets, liabilities, revenue, expenses and cash flow of continuing and discontinuing operation have not been disclosed as per the disclosure requirement of AS-24.

Directors' comments on the auditors' qualification/ other reservations as above:-

- i) since the factory is closed, no operations are being carried out at present. Due to this abnormal situation, current liabilities have exceeded current assets. The situation will normalize once the factory assets at Ooty and Corporate Office Building are sold out and normal business operations get started.
- ii) the loan has since been restructured by the Bank and that the first installment relating to the principal amount shall become due for payment in September, 2009.
- iii) although the liability of income tax is certain as at year end to the extent of disallowance, the provision has not been made in the books considering the fact that impact of partly allowed appeal is unascertainable from the ITAT order. Further, no demand has been raised till date on the ground of such ITAT order.
- iv) This being the first year of discontinuing operations, figures of the previous period have not been disclosed.

PARTICULARS OF EMPLOYEES

None of the employees of the Company receives remuneration requiring any disclosure to be made under Section 217(2A) of the Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975 as amended, hence particulars are not annexed.

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

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed hereto and form part of this report.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank individually each and every of its most valued customers for their continued confidence in the Company and request for their continued patronage and support to the Company.

Your Directors wish to place on record their appreciation of the services rendered by the executives, staff and workers at all levels and hope they shall continue to serve the Company with greater dedication and sincerity.

Your Directors also acknowledge the co-operation and support received from its Shareholders, the Company's Bankers and various departments and agencies of the Central and State Governments.

Place: Kolkata
Date: 18th August, 2009

For and on behalf of the Board
B.P.Singh
Chairman & Managing Director

**ANNEXURE TO THE DIRECTORS' REPORT**

Additional particulars pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2009.

Conservation of Energy :

Energy conservation and energy consumption was constantly monitored and maintenance systems were regularly improved to reduce energy losses.

Specific Energy Conservation Measures :

Adequate steps were taken that resulted in an improvement in electricity consumption.

Total energy consumption and energy conservation per unit of produce:

As per Form A hereunder.

FORM — A
FORM FOR DISCLOSURE OF PARTICULARS WITH REGARD TO
CONSERVATION OF ENERGY

A. Power and Fuel consumption :

		Current Year 1-4-2008 to 31-3-2009		Previous Year 1-4-2007 to 31-3-2008	
1.	Electricity				
(a)	Purchased				
	Unit	KWH	8,79,256	KWH	15,24,232
	Total Amount	Rs.	47,05,347	Rs.	85,75,316
	Rate/Unit	Rs.	5.35	Rs.	5.63
(b)	Own Generation				
(i)	Through Diesel Generator				
	Units	KWH	58,214	KWH	1,09,520
	Units/Litre of LDO	KWH/ltr	2.60	KWH/ltr	2.45
	Cost/Unit	Rs.	13.83	Rs.	13.85
(ii)	Through Steam Turbine	—	—	—	—
2.	Gas				
	Quantity	Kgs	—	Kgs	—
	Total amount	Rs.	—	Rs.	—
	Average rate	Rs/kgs	—	Rs/kgs	—
3.	Fire Wood				
	Quantity	Kgs	23,87,865	Kgs	38,04,140
	Total amount	Rs.	74,85,193	Rs.	96,30,273
	Average rate	Rs/kgs	3.13	Rs/kgs	2.53

**B. Consumption per unit of production :**

Standards	Current Year 1-4-2008 to 31-3-2009	Previous Year 1-4-2007 to 31-3-2008
Electricity There was no specific standard as the consumption per unit depended on the quality of leaf and the type of tea produced	0.77 units	0.83 units
Firewood	2.10 kgs	2.07 kgs

RESEARCH AND DEVELOPMENT (R&D)

The Company's manufacturing process ran for only part of the year, hence no research and development activities could be undertaken.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**1. Efforts in brief made towards technology absorption, adaptation and innovation:**

Not much activity could be undertaken on this front as because the Company's manufacturing process ran for only part of the year.

2. Benefits derived as a result of the above efforts:

None.

3. Imported Technology:

None.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings and outgo of Foreign Exchange as detailed in Notes and in Schedule 19 to the Accounts were as under:

	Current Year 1.4.2008 to 31.3.2009	Previous Year 1.4.2007 to 31.3.2008
Foreign Exchange Earnings:	3,88,97,062	14,28,94,077
Foreign Exchange Outgo:	NIL	1,59,672

Place: Kolkata
Date: 18th August, 2009

For and on behalf of the Board
B.P.Singh
Chairman & Managing Director