

# BEEYU OVERSEAS LIMITED

**Registered Office:** 15, Chittaranjan Avenue, Ground Floor, Kolkata – 700 072

**Email ID:** [info@beeyuoverseas.in](mailto:info@beeyuoverseas.in), **Website:** [www.beeyuoverseas.in](http://www.beeyuoverseas.in)

**CIN:** L51109WB1993PLC057984

**REPORT OF INDEPENDENT DIRECTOR'S COMMITTEE OF BEEYU OVERSEAS LIMITED. ("THE COMPANY") RECOMMENDING DRAFT SCHEME FOR REDUCTION OF SHARE CAPITAL ("SCHEME") BETWEEN COMPANY AND ITS SHAREHOLDERS, AT THE MEETING HELD ON THURSDAY, 08<sup>TH</sup> AUGUST, 2024 AT 11:30 A.M AT 15, CHITTARANJAN AVENUE, GROUND FLOOR, KOLKATA - 700072**

## MEMBER'S PRESENT:

S.No.	Name	Designation
1.	Sovan Chatterjee	Chairperson
2.	Mr. Harendra Kumar Baitha	Member
3.	Simran Saha	Member

## 1. BACKGROUND:

A meeting of the Independent Director's Committee of the Company held on Thursday 08<sup>th</sup> August, 2024 to consider and recommend to the Board of Directors of the Company, the draft Scheme for reduction of Share Capital ("Scheme") under Section 66 read with Section 52 of the Companies Act, 2013 ("Act") (including other applicable provisions of the Act and the rules thereof) of Beeyu Overseas Limited. ("the Company") with its shareholders, in accordance with the requirement of the Securities and Exchange Board of India ("SEBI") Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/P/2023/93 dated June 20, 2023 ("Master Circular"), the rules thereof, and the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 ("the Rules") including any amendments thereof, as applicable.

The Scheme provides that the accumulated losses of Rs. 23,14,53,545 (Rupees twenty-three crore fourteen lakh fifty-three thousand five hundred and forty-five only) outstanding as on 31 march 2024, be first adjusted from the balance of Capital Reserve and Securities Premium Reserve amounting to Rs. 6,23,48,318 and Rs. 2,85,18,897, respectively and the remaining balance of the accumulated losses be adjusted from the issued, subscribed and paid-up equity share capital of the Company by cancelling & extinguishing 1,40,58,633 equity shares of face value INR 10 (Rupees Ten only) per equity share amounting to Rs. 14,05,86,330 (Rupees fourteen crore five lakh eighty-six thousand three hundred and thirty only) i.e. about 99.42% of the share capital., without payment of any consideration to the members.





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- d. Valuation Report dated 07 August 2024 received from the registered valuer Manish Gadia having registration No. IBBI/RV/06/2019/11646 and having RVO Mem. No. ICAIRVO/06/RV-P00074/2019-2020;
- e. Fairness opinion report dated 08 August 2024 obtained from Independent registered Merchant Banker, Mr. Rhydham Kapoor, SEBI Reg. No: INM000012528, a SEBI registered merchant banker ("Fairness Opinion");
- f. A certificate from the statutory auditors of the Company, Agarwal & Associates, Chartered Accountants, confirming that the proposed accounting treatment in the books of the Company relating to the reduction of share capital of the Company as set out in Clause 13 of the draft Scheme is outside the purview of the applicable accounting standards specified under Section 133 of the Companies Act, 2013. In the absence of specific guidance for accounting of transactions relating to the reduction of share capital, the accounting treatment under Clause 13 of the draft Scheme is construed to be in conformity with other generally accepted accounting principles in India ("Auditors' Certificate");

## 2. PROPOSED SCHEME FOR REDUCTION OF CAPITAL:

The Audit Committee reviewed and considered the draft Scheme for reduction of Share capital of the Company on the following grounds:

### I. NEED AND RATIONALE FOR THE PROPOSED SCHEME FOR REDUCTION OF SHARE CAPITAL:

- a) The proposed reduction of the equity share capital of Company is being undertaken in accordance with the provisions of Section 66 read with Section 52 of the Act and the rules made thereunder and specifically the Rules, which permit a company to undertake a reduction of its share capital in any manner, read with the Listing Regulations and the SEBI Circular;
- b) The accumulated carry forward losses resulting from the cessation of business operations, have substantially wiped off the value represented by the Share Capital thus the financial statements do not reflect the correct picture of the health of the Company. This has given rise to the need to re-adjust the relation between capital and assets and to accurately and fairly reflect the liabilities and assets of the Company in its books of accounts;



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- c) The Scheme of Reduction of Share Capital after full implementation will result in making its balance sheet leaner. It is further expected that the reflection of financial statement of the post reduction would ensure that the Company attracts new source of revenue, if deemed necessary in future to enable the Company to engage in further profitable operations.
- d) The Scheme of Reduction of Share Capital is presented with a view to achieve restructuring of the Company which would result in reduction of the accumulated losses of the Company and improvement in financial health as more business activities shall be brought into the Company thereby preventing it from becoming a sick company.
- e) Upon the Scheme coming into effect, the accumulated losses of Rs. 23,14,53,545 (Rupees twenty-three crore fourteen lakhs fifty-three thousand Five Hundred and Forty-Five only) will be first adjusted from the Capital Reserve and Securities Premium Reserve amounting to Rs. 6,23,48,318 and Rs. 2,85,18,897 respectively. The remaining balance of the accumulated losses will be adjusted from the issued, subscribed and paid-up equity share capital of the Company by cancelling & extinguishing 1,40,58,633 equity shares of face value INR 10 (Rupees Ten only) per equity share amounting to Rs. 14,05,86,330 (Rupees fourteen crore five lakhs eighty-six thousand three hundred and thirty only i.e. about 99.42% of the share capital.

### 3. SCHEME NOT DETRIMENTAL TO THE SHAREHOLDERS OF THE COMPANY:

The Committee members discussed and deliberated upon the rationale of the draft scheme for reduction of share capital, valuation report, fairness opinion and other documents presented before the committee. In terms of the draft Scheme, upon the scheme becoming effective the accumulated losses of Rs. 23,14,53,545 (Rupees twenty-three crore fourteen lakh fifty-three thousand Five Hundred and Forty-Five only) will be first adjusted from the Capital Reserve and Securities Premium Reserve amounting to Rs. 6,23,48,318 and Rs. 2,85,18,897 respectively. The remaining balance of the accumulated losses will be adjusted from the issued, subscribed and paid-up equity share capital of the Company by cancelling & extinguishing 1,40,58,633 equity shares of face value INR 10 (Rupees Ten only) per equity share amounting to Rs. 14,05,86,330 (Rupees fourteen crore five lakh eighty-six thousand three hundred and thirty only) i.e. about 99.42% of the share capital. The Capital reduction will not cause any prejudice to the shareholders of the company, as it does not entail any discharge of consideration by the Company in form of cash, shares or otherwise. The



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Company's equity capital structure and the shareholding pattern subsequent to the Scheme will remain unchanged and this reduction will allow the creation of distributable reserves in future for dividend which may get held up due to accumulated losses. The Company has a positive net worth and therefore the proposed capital reduction will not adversely affect the ordinary operations of the company.

The Committee is of the informed opinion that the proposed scheme is in the best interest of the shareholders of the company and not detrimental to the interest of the shareholders.

#### 4. RECOMMENDATION OF THE INDEPENDENT DIRECTOR COMMITTEE:

Taking into consideration the proposed Scheme, Fairness Opinion Report dated 08 August 2024 received from the SEBI registered merchant banker i.e. Mr. Rhydham Kapoor and Valuation report dated 07 August 2024 received from the registered valuer i.e. Manish Gadia, draft accounting treatment certificate and draft undertaking from the statutory auditor, and inter-alia having noted the need and rationale of the Scheme, the Independent Director Committee confirms that the proposed Scheme is not detrimental to the shareholders of the Company and is in the best interest of the Company and its shareholders, creditors, and all other stakeholders. Thus, the Independent Director Committee hereby recommends the proposed Scheme to the Board of Directors of the Company for its consideration and approval.

For and on behalf of  
Independent Director's Committee of Beeyu Overseas Limited.

**BEEYU OVERSEAS LTD**



Director

Sovan Chatterjee

Chairperson

DIN: 10349322

Date: 08.08.2024

Place: Kolkata

