



BEEYU OVERSEAS LIMITED



2001-2002 Annual Report

Beeyu Teas

Over one hundred and fifty years ago, in 1839, the first batch of eight chests of Indian tea was sold at the London Auction. Ever since Indian teas have been the chosen ones in international markets.

Beeyu is synonymous with quality teas - in fact the freshest of quality teas. Specially selected teas, whether Darjeeling, Assam or from the Nilgiris are tasted and packed to give discerning consumers the right blend of flavour, aroma, strength and liquor.

Beeyu Assam teas : BEEYU fine CTC tea (granular), handpicked from the finest Indian gardens, is refreshingly strong and is packed with extreme care to preserve every bit of its original freshness. With every sip of BEEYU you are sure to enjoy and savour a strong cup of genuine Indian tea-rich, full bodied, bright liquor.

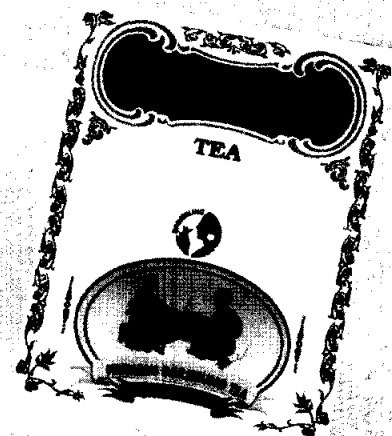
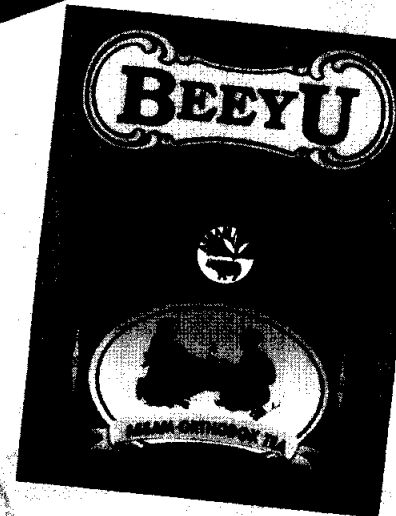
Beeyu Assam Orthodox teas : BEEYU orthodox tea comes from the specially selected rain soaked tea gardens of Assam. The blend is made of orthodox brokens, selected from the finest gardens of Upper Assam. The blend is unique in its flavour, richness and strength, in equal measures. A unique blend that is exclusive to genuine Assam orthodox tea.

Beeyu Darjeeling teas : BEEYU Darjeeling tea, a fine bouquet of exquisite flavour, grown at altitudes of 2000 meters, in a cool and moist climate. The soil, rainfall and the sloping terrain all combine to give this unique blend a fine exquisite flavour. All teas are handpicked by our experts, blended and packed to give maximum satisfaction to discerning consumers.

Beeyu Nilgiri teas : Flavour with body and strength. Grown at altitudes of 1000 to 2500 metres, BEEYU Nilgiri teas have flavour and brisk liquor. A fragrant tea with good body.

Beeyu Organic teas : Teas, selected specially for you, from the finest 100% organic gardens in South India. Teas are hygienically packed, with extreme care, to fully preserve the organic values.

Beeyu Tea Bags : Packed in most modern machines to meet international standards for our valued consumers. It is a full bodied, rich and bright tea to ensure maximum satisfaction. BEEYU tea bags give you the strength and body of the teas along with convenience.



From : The Executive Chairman
Beeyu Overseas Limited

12th July 2002

My Dear *P. A. Vora*

Your Company has entered the 10th year of incorporation. The Company had, in 1993, made a humble beginning with a share capital of Rs.12 lacs. During the last 9 years these shares have, with subsequent bonus and rights issue of equity shares, gone up to Rs.3.56 Crores and the shareholders had, on an average, received cash dividend of 25%.

The sales of your Company had been increasing impressively every year and in the last 4 years sales have increased by 350% which reads as under :

1998 - 1999	Rs.13.46 Crores
1999 - 2000	Rs.22.00 Crores
2000 - 2001	Rs.35.32 Crores
2001 - 2002	Rs.50.06 Crores

In the previous year, the Company crossed the Rs. 50 Crores mark and if the current trend continues, we expect to breach the Rs. 100 Crores mark in a few years.

The Company has come a long way since its incorporation and is now a professionally managed vibrant organisation. Although tea continues to be its main export product, it can by no means be said to be a single product Company as it exports Rs.100 Crores worth coffee on which it earns commission income. The Company has been exporting sesame seeds and has in this year introduced rice to its export basket. We expect to export Rs.20 Crores worth of rice this year. The Company has plans to add more items like coffee beans, medicines, etc. in its business portfolio.

The Company will open two more overseas branches this year, one in Almaty, Kazakhstan and another at Kiev in Ukraine. These branches will operate in addition to our existing overseas branches at Moscow, St. Petersburg and Dubai.

Our CTC factory produces optimum quantity and our quality has been found to be one of the best in South India. Our blending factory at Ooty has also come into operation from 1st April 2002. It is one of the best in our country. Now we are building the third factory at Ooty i.e. Orthodox tea factory which we expect will come into operation by the end of this financial year.

The current year had been very bad for the tea industry. Substantial number of tea companies have suffered losses and skipped dividend. The average returns of a few best tea companies are as under :-

Name of Company	Price of Share (Rs.)	Dividend (Rs.)	Percentage of return
AFT Industries	58.00	5.00	8.62
George Williamson	66.25	5.00	7.55
Dhunseri Tea	27.00	1.00	3.70
Jayshree Tea	42.50	1.50	3.53
Tata Tea Ltd.	212.00	7.00	3.30
Tezpore Tea	58.70	1.50	2.56

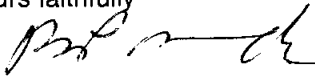
In spite of the grim market conditions, the Board has recommended bonus issue of shares in the proportion of 1 fully paid bonus share for every 10 shares held and also a cash dividend of 8%, an effective return of 18% which is much higher than the interest rates being offered by Banks. These recommendations shall be implemented subject to the shareholders' consent at the ensuing Annual General Meeting.

I thank our shareholders for the faith they have reposed in the Company and I hope to continue to enjoy their confidence in the future.

I wish you and your family a prosperous life.

Thank you,

Yours faithfully



B.P.Singh
Executive Chairman

25th July, 2002

Dear Sir/Madam,

The Reserve Bank of India has introduced the Electronic Clearing Service (ECS) whereby amounts can be electronically credited to Bank Accounts where such facilities are available. All members are, therefore, advised to avail of the facility for receipt of future dividends.

Members holding Shares in electronic mode (dematerialised form) are requested to contact their respective Depository Participants for availing ECS facility.

Members holding Shares in physical form and desirous of availing ECS facility are requested to furnish ECS information in the format given below to the Company's Share Transfer Agents before 16th September, 2002. Please enclose photocopy of a cancelled MICR cheque of the account to which the payments are desired to be credited.

Thank you,

R. Chattopadhyay
Secretary

..... Tear hear

To :

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane (Surendra Mohan Ghosh Sarani)
Kolkata - 700 001

Unit : Beeyu Overseas Limited

Dear Sirs,

Payment of Dividend through ECS

I wish to participate in the Electronic Clearing Service introduced by Reserve Bank of India as per the details given in your letter dated 25th July, 2002. I give below the details of my bank account to which you may electronically credit the payment due to me against the reference folio number mentioned.

1. Folio No.
2. Name(s) of the holder(s)
3. Particulars of Bank Account :
 - (a) Name of the Bank
 - (b) Branch Address
 - (c) 9 digit Code Number of the Bank & Branch
appearing on the MICR cheques issued by the Bank

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 - (d) Account type (please tick)

Savings	Current	Cash Credit
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 - (e) Ledger Folio No. (if any) of your Bank Account
 - (f) Account No.

I, hereby declare that the particulars given above are correct and complete. I undertake to inform you of any subsequent changes in the above particulars before the relevant book closure(s). If the payment transaction is delayed or not effected at all for any reason(s) beyond the control of the Company, I would not hold the Company responsible.

Signature of the sole/first holder

Date :

Place :

Encl. Photocopy of cancelled MICR cheque of the account to which the payments are desired to be credited.

**BOARD OF DIRECTORS**

Mr. B. P. Singh
(Executive Chairman)

Mr. A. R. Basu
(Managing Director)

Mr. Ravi Singh
(Dy. Managing Director)

Ms. Rajinie Singh
(Dy. Managing Director)

Mrs. Usha Singh

Mr. D. K. Khandelwal

Mr. Kamal Parekh

Mr. Arabinda Bose

Mr. Philip John

Mr. S. K. Jain

Dr. R. Srinivasan

Mr. Harish Parekh

SECRETARY :

Mr. R. Chattopadhyay

AUDITORS :

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

REGISTRARS & SHARE TRANSFER AGENTS :

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane (Surendra Mohan Ghosh Sarani)
2nd Floor
Kolkata 700 001

BANKERS :

1. UTI BANK LIMITED
2. STATE BANK OF INDIA
3. ICICI BANKING CORPORATION LIMITED
4. GLOBAL TRUST BANK LIMITED

REGISTERED OFFICE :

Beeyu House
64A, Ballygunge Circular Road
Kolkata - 700 019

BRANCH OFFICES :**DOMESTIC**

1. COCHIN
Darragh Smail Centre
3rd Floor, 5th Cross Road
Willingdon Island
Cochin - 682 003
2. COONOR
58/A, Roe Hampton
Church Road,
Coonor - 643 101

3. OOTY
Ooty Rural, Doddabetta
Panchayat,
Near Government
Chincona Plantations,
Ooty - 643 002
Tamil Nadu

OVERSEAS

1. MOSCOW :
Hotel Cosmos
Room No. 448, 449 & 450
150, Prospect Mira
Moscow, Russia - 129366
2. DUBAI
C/o Mr. A. G. Subramaniam
Post Box No. 4456,
Dubai (U.A.E.)



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**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Ninth Annual Report to the members together with the Audited Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

	Year ended 31st March, 2002 Rs. in lacs	Year ended 31st March, 2001 Rs. in lacs
Profit for the year	90.78	191.31
Less : Provision for Tax	7.43	64.50
	83.35	126.81
Add : Prior Period items	—	9.10
	83.35	135.91
Add : Balance Brought Forward from last year	268.38	239.86
Amount available for Appropriations	351.73	375.77
APPROPRIATIONS		
General Reserve	10.00	10.00
Dividend	42.56	79.83
Income Tax on Interim Dividend	—	17.56
Balance carried to Balance Sheet	299.17	268.38
	351.73	375.77

OPERATING RESULTS

The Company earned a lesser profit before tax of Rs. 90.78 lacs for the year ended 31st March, 2002. In view of the depressed market conditions which prevailed throughout the year, the profitability of tea and coffee both declined in the face of continuously falling prices. The situation was aggravated by the over supply of tea vis-a-vis demand for tea during the entire financial year. The gross income of the Company however registered an increase from Rs. 35.32 crores to Rs. 50.06 crores, registering an increase of 42%.

DIVIDEND

Your Directors recommend a dividend at the rate of Re.0.80 per share be declared for the year ended 31st March, 2002. The dividend will be paid after it is approved at the forthcoming Annual General Meeting.

BONUS ISSUE

The Board of Directors at its meeting held on 24th June, 2002 has recommended, subject to the approval of the Shareholders, Bonus Issue of Equity Shares to the existing Shareholders in the ratio of 1 fully paid Bonus Share for every 10 shares held. The entire issue of Bonus Share will be out of the General Reserves of the Company.

**PERFORMANCE**

You are aware that your Company operates primarily in the Russian and CIS markets and inspite of depressed conditions was able to increase its market share in these two countries. Your Company also sold substantial quantities of tea in Dubai and other Middle East countries during the last financial year.

Your Company is one of the major exporters of coffee to Russia and substanital volumes of coffee were exported to Russia with steady supplies from Tata Coffee Limited.

As mentioned in last year's report, your Company had signed a Protocol of Intent with Tata Coffee Limited and one of the largest importers of coffee to Russia for manufacture of instant coffee on joint venture basis. Progress has been made on the project with selection of the site of the project and the project report is in an advanced stage of finalisation. Your Company is also negotiating with a few major producers of tea and coffee for appointment as distributors of their products.

As mentioned in the previous years Report, the transfer of the Blending unit has been completed at Ooty. Your Directors have also finalised the setting up of a line of manufacture of orthodox tea at the Ooty factory.

Your Directors are making all out efforts to increase the market shares of both tea and coffee in Russia and CIS countries and the Middle East.

In view of the present conditions prevailing in the Tea Industry, Government of India and the Tea Board has taken various steps to improve the exports of tea including promotion of generic tea. These will to a large extent help your Company achieve much better results during the current year.

AMALGAMATION

The Board of Directors had at its meeting held on 11th October, 2001 decided to amalgamate the three subsidiaries namely, Beeyu Plantations Limited, Beeyu Exports Limited and Singapore Amusement Park Limited with the Company. Accordingly, an application was made to the Hon'ble High Court at Calcutta by Khaitan & Co., Solicitors & Notaries, the advocates of the Company. In terms of the order of the High Court dated 17th October, 2001 separate Extraordinary General Meetings of the Shareholders of all the four companies were convened on 5th December, 2001. Overwhelming majority of shareholders of all the Companies approved the Scheme of Amalgamation. The Scheme of Amalgamation was sanctioned by the Hon'ble High Court by order dated 29th January, 2002 and the amalgamation became effective from 1st April, 2001.

DIRECTORS

Dr. R. Srinivasan was appointed as Director of the Company at the meeting of the Board held on 31.07.2001. As Additional Director Dr. Srinivasan retires at the ensuing Annual General Meeting and is eligible for reappointment.

Mr. Harish Parekh was appointed as Director of the Company at the meeting of the Board held on 18.01.2002. As Additional Director Mr. Harish Parekh retires at the ensuing Annual General Meeting and is eligible for reappointment.

Ms. Rajinie Singh was appointed as Director of the Company at the meeting of the Board held on 15.03.2002 with effect from 01.03.2002. As Additional Director Ms. Rajinie Singh retires at the ensuing Annual General Meeting and is eligible for reappointment.



The Board of Directors at their meeting held on 15th March, 2002 appointed Ms. Rajinie Singh as Wholetime Director of the Company for a period of five years with effect from 1st March, 2002. Ms. Rajinie Singh was the Deputy Managing Director of the erstwhile Beeyu Plantations Limited and was also a Director of Beeyu Exports Limited, both the companies have since amalgamated with Beeyu Overseas Limited. Ms. Rajinie Singh has vast experience in tea business and exports, particularly in South India. The Board of Directors has at their Meeting held on 24th June, 2002 decided to designate Ms. Rajinie Singh as Deputy Managing Director. Your Board is of the opinion that it will be in the interest of the Company to appoint Ms. Rajinie Singh as Deputy Managing Director of the Company.

Mr. Arabinda Bose was the member of the Board of Directors of the Company since August, 2000. Mr. Bose was employed by Beeyu Exports Limited for the period from 1st April 2001 to 31st May, 2001. Mr. Bose was appointed the Managing Director of Beeyu Plantations Ltd. with effect from 1st June, 2001. Both the Companies have since amalgamated with the Company. Mr. Bose continued as a member of the Board even after the amalgamation of Beeyu Exports Ltd. and Beeyu Plantations Ltd. with the Company and thus is deemed to be a Director in the wholetime employment of the Company. A resolution has been included in the Notice convening the Annual General Meeting for the members approval for the payment of remuneration to Mr. Bose for the period from 1st April, 2001 to 31st August, 2002. Mr. Bose has since expressed his desire not to continue in full time employment of the Company with effect from 1st September, 2002. He, however, continues as a member of the Board.

Mr. Dilip Kumar Khandelwal, a Director of the Company, who retires by rotation has expressed his desire not to seek reappointment.

Messrs. S. K. Jain, Philip John and Ravi Singh retire by rotation at the forthcoming Annual General Meeting and are eligible for reappointment.

PARTICULARS OF EMPLOYEES

[Pursuant to Section 217(2A) of the Companies Act, 1956]

The Company has no employee whose salary exceeds Rs. 24 lacs, if employed throughout the year or Rs. 2 lacs per month, if employed for part of the year.

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

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

REPORT ON CORPORATE GOVERNANCE

The report on Corporate Governance and Management Discussion and Analysis Report in accordance with the guidelines of Securities and Exchange Board of India and Clause 49 of the Listing Agreements with Stock Exchanges together with a certificate from the Company's Auditors confirming compliance is annexed to this hereto and forms part of this Report.

AUDITORS' REPORT

The notes to the accounts referred to in the Auditors' Report are self-explanatory.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that :

- (i) in the preparation of the annual accounts for the year ended 31st March, 2002 the applicable accounting standards have been followed.
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2002 and of the profit and loss of the Company for the year ended 31st March, 2002.
- (iii) the Directors have taken proper and sufficient care for 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.

AUDITORS

M/s Pricewaterhouse, Chartered Accountants, the Auditors of the Company retire at the forthcoming Annual General Meeting and being eligible, have indicated their desire to be re-appointed.

ACKNOWLEDGEMENT

The Board wishes to put on record its appreciation of services rendered by the executives, staff and workers at all levels during the year under review. The Board wishes to put on record their appreciation of the Banks and other authorities for excellent co-operation extended by them to the Company during the year.

Place : Kolkata
Dated : 24th June, 2002

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On behalf of the Board

B. P. Singh
Executive Chairman