

# 15th ANNUAL REPORT 2007-2008



B E E Y U O V E R S E A S L I M I T E D



## Our Vision

To maintain consistent quality  
in the production and  
marketing of tea  
globally and nationally

## Our Mission

To enhance productivity

To foster teamwork

To motivate employees  
and offer opportunities  
for growth

To generate adequate  
return on capital

To aspire to greater  
heights of excellence in  
every sphere of activity

To improve the conditions of  
Life of not only our own  
people but of neighbouring  
villages in and around our  
production centres

To strive to emerge as an  
exemplary corporate in the  
private sector





## BEEYU OVERSEAS LIMITED

### BOARD OF DIRECTORS

Mr. Birendra Pratap Singh, *Chairman & Managing Director*  
 Mr. Ravi Singh, *Director*  
 Ms. Rajinie Singh, *Dy. Managing Director*  
 Mr. Firoze Jal Kapadia, *Director Finance*  
 Mrs. Usha Singh  
 Mr. Harish Parekh  
 Mr. Sharat Kumar Jain  
 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

### MANAGEMENT TEAM

Corporate Office :	Ooty :
Mr. Birendra Pratap Singh	Ms. Rajinie Singh
Mr. Ravi Singh	Mr. Apurba Basu
Mr. Firoze Jal Kapadia	Mr. Uma Shankar
Mr. Mahendra Kumar Dutia	Ms. V. Renuka
Mr. Sanjiv Singh	Mr. Ganeshmurthy
Mr. Souvik Ghosh	Mr. Elango Jhonson
Ms. Siddhartha Halder	Mr. Prem Chandran

Board Committees	Directors
<b>Audit Committee</b>	1. Mr. Harish Parekh - Chairman 2. Mr. S. K. Jain 3. Mr. Arabinda Bose
<b>Investors Grievance Committee</b>	1. Mr. Arabinda Bose - Chairman 2. Mr. B. P. Singh 3. Mrs. Usha Singh
<b>Share Transfer Committee</b>	1. Mr. B. P. Singh - Chairman 2. Mr. Ravi Singh 3. Mr. F. J. Kapadia

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## FINANCIAL HIGHLIGHTS

Rs. in Lakhs

	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Total Income	2312.88	3468.13	2322.54	3692.23	3333.89	5101.47
Profit before Tax	(225.61)	(116.42)	30.11	98.67	76.64	156.44
Tax	(30.65)	37.50	18.65	23.12	8.50	34.51
Profit after Tax	(194.96)	(153.92)	11.46	75.55	68.14	121.93
Dividend Payout*	—	—	—	79.58	79.21	66.01
Equity Capital	1415.17	1415.17	1414.63	702.20	702.20	585.44
Reserves & Surplus	572.13	770.29	951.25	951.25	668.29	801.92
Shareholders' Fund	1987.30	2185.46	2365.89	1361.67	1370.76	1387.36
Borrowings	1120.63	1754.38	1104.27	527.63	494.26	952.85
Capital Employed	1933.77	2107.62	2263.74	1337.44	1334.02	1339.01
Net Block	2210.16	2263.55	2458.34	1544.84	1458.12	1311.05
Bonus Issue	—	—	—	—	1 : 05	1 : 10

\* Includes Tax on Dividend

## KEY FINANCIAL PARAMETERS

	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Return on Equity (%)	(9.81)	(7.04)	0.48	5.55	4.97	8.79
Book value per share (Rs.)	14.04	15.44	16.72	19.39	19.51	23.70
Earnings per share (Rs.)*	(1.38)	(1.09)	0.09	1.08	0.97	1.74
Dividend per share (Rs.)	—	—	—	1.00	1.00	1.00
Profit before Tax to Turnover (%)	(9.75)	(3.36)	1.30	2.67	2.30	3.07
Profit after Tax to Turnover (%)	(8.43)	(4.44)	0.49	2.05	2.04	2.39
Capital Turnover ratio	1.16	1.62	0.98	2.71	2.43	3.68
Stock Turnover ratio	3.17	6.77	5.42	12.06	23.53	28.53
Working Capital Turnover	4.31	2.60	2.65	10.87	8.84	4.75
Fixed Assets to Shareholders Fund	1.12	1.04	1.04	1.13	1.06	0.94
Current Ratio	1.82	6.54	7.20	1.71	2.18	3.00
Debt-Equity Ratio	0.56	0.80	0.47	0.39	0.36	0.69

\* Adjusted for bonus issue.



## NOTICE

NOTICE is hereby given that the Fifteenth 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 Saturday, 13th September, 2008 at 6.00 p.m. to transact the following business:

### AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2008, 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. F.J. Kapadia, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Ms. Rajinie Singh, who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a Director in place of Mr. Arabinda Bose, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Binoy Krishna Banerjee, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint 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.

### AS SPECIAL BUSINESS:

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:  
"RESOLVED THAT Sri. Ram Gopal Bhattacharjee be and is hereby appointed a Director of the Company subject to retirement by rotation."
8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:  
"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 311 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto and other necessary sanctions, if any, approval of the Company be and is hereby accorded to the revision in the remuneration of Mr. F J Kapadia, Director Finance of the Company with effect from 1st April 2008, material terms of which are indicated in the Explanatory Statement annexed to the Notice, with authority to the Board of Directors of the Company to alter, vary or modify such terms of appointment and remuneration within the ceiling limit prescribed in Schedule XIII to the Companies Act, 1956 (including any statutory modifications, substitutions or re-enactment thereof for the time being in force), as may be agreed to by the Board of Directors and Mr. F J Kapadia, Director Finance without any further approval of the Company in a General Meeting."  
"RESOLVED FURTHER THAT notwithstanding anything herein above stated, where in any financial year, the Company has no profits or its profits are inadequate during the currency of his term of office, Mr. F J Kapadia, Director Finance, shall be entitled to receive remuneration by way of salary, perquisites, benefits and allowances and subsequent revisions, if any, as Minimum Remuneration, subject to the provisions of the Companies Act, 1956 and the ceiling limit laid down in Schedule XIII thereto."  
"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps and do all such acts, deeds, matters and things as may be necessary or expedient for the purpose of giving effect to the above Resolution."
9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:  
"RESOLVED THAT pursuant to the provisions of the Securities & Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to the provisions of the Securities Contracts Regulation Act, 1956, Listing Agreement, etc., or any amendment or modifications thereof and any other such consent, approval and any directions or modifications as may be issued by any regulating authorities, the consent of the members of the Company be and is hereby accorded to the Directors for Voluntary Delisting of Equity Shares of Rs.10 each of the Company from the Inter-Connected Stock Exchange of India Limited situated at Navi Mumbai."  
"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to accept any terms and conditions as may be imposed by the Stock Exchange, Central Listing Authority, SEBI or any regulating authorities and to settle all the questions and matters arising out of and incidental to the proposed voluntary delisting of the equity shares of the Company from the aforesaid Stock Exchange and to take all necessary steps including authorizing any Directors / Officers / Executives of the Company to do all such acts, deeds or things for giving effect to the above said resolution."

Corporate Office :

"Beeyu House"

64A, Ballygunge Circular Road

Kolkata - 700 019

Kolkata, 30th June, 2008

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 September 06, 2008 to September 13, 2008 (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 and Sundays 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.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

**ITEM NO. 7**

Mr. Ram Gopal Bhattacharjee was appointed an additional director of the Company under Section 260 of the Companies Act, 1956 with effect from 30th June, 2008 and his term of office as Director ceases at the conclusion of the ensuing Annual General Meeting.

Mr. Ram Gopal Bhattacharjee, whose date of birth is 1st January, 1934 is a qualified commerce graduate and an LL.B. He was associated with J. Thomas & Co. for a period of 40 years in various capacities and specialized in tea marketing and selling. His present occupation is Consultancy and Advisory services in Tea.

Presently, Mr. Ram Gopal Bhattacharjee does not hold Directorship in any Company other than Beeyu Overseas Limited.

Certificate in writing under Sub Section (1) of Section 257 of the Companies Act, 1956 has been received from a member of the Company along with a deposit of Rs.500/- proposing the candidature of Mr. Ram Gopal Bhattacharjee as a Director of the Company.

This may be treated as an individual notice to the members of the Company in terms of Sub Section (1A) of Section 257 of the Act. The Board of Directors is confident that the Company will be benefitted from his valuable advice and rich experience.

None of the directors of the Company except Mr. Ram Gopal Bhattacharjee is concerned or interested in the resolution.

The Board recommends adoption of this resolution.

**ITEM NO. 8**

Mr. F J Kapadia was appointed as a Whole-time Director of the Company to hold office, as such, for a period of five years from 1st November, 2004 and his appointment and remuneration was confirmed by the Members of the Company at the Twelfth Annual General Meeting held on 19th September, 2005.

Subject to the approval of the Members of the Company at the forthcoming Annual General Meeting, the Board of Directors at the meeting held on 30th June, 2008 have partially revised the terms of his remuneration with effect from 1st April, 2008 as set out below:

**Particulars****Revision**

Motor Car Running Expenses

From Rs. 10,000/- p.m. to Rs. 17,000/- p.m.

Business Entertainment Expenses

From Rs. 3,000/- p.m. to Rs. 6,000/- p.m.





All other terms and conditions of his appointment and remuneration as was approved by the Members of the Company at the Twelfth Annual General Meeting held on 19th September, 2005, remain unchanged.

Approval of the Members is sought to the above upward revision in the remuneration payable to Mr. F J Kapadia, which is in line with the modern corporate trend, particularly considering Mr. F J Kapadia's contribution to the Company.

The resolution set out in Item No. 8 of the accompanying notice and the relative Explanatory Statement should be treated as an abstract of the terms and conditions and a Memorandum of Interest under Section 302 of the Companies Act, 1956.

The Board recommends adoption of the above Resolution as an Ordinary Resolution.

Save and except Mr. F J Kapadia, no other Director is concerned or interested in the proposed Resolution.

#### **ITEM NO. 9**

The Company's Equity Shares are listed with the Bombay Stock Exchange Limited, Inter-Connected Stock Exchange of India Limited (ICSE), and Coimbatore Stock Exchange of India Limited. There is no trading or negligible trading of equity shares since listing at the Inter-Connected Stock Exchange of India Limited. However, the Company's shares are regularly traded at the Bombay Stock Exchange Ltd., the listing fee paid to the ICSE does not offer commensurate benefit to the Company and its investors, accordingly continuing listing with ICSE is not considered necessary.

In terms of the SEBI (Delisting of Securities) Guidelines, 2003, now the Companies have been permitted for voluntary delisting of shares, subject to compliance of the terms and conditions of the guidelines. The Board considered that the Bombay Stock Exchange Ltd., is having nationwide trading terminals and the investors have access to trade and deal in Company's shares across the country.

Equity shares of the Company listed on the ICSE is not providing any significant tangible advantage to the shareholders and investors of the Company.

Therefore, the Board at their meeting held on 30th June, 2008 has recommended for voluntary delisting of the Company's Equity Shares from the ICSE to avoid unnecessary financial and administrative burden due to multiple compliance of the various clauses of the Listing Agreement from time to time and to provide better services to the investors through the nationwide terminals.

Your Board recommends adoption of the resolution as a Special Resolution.

None of the Directors of the Company is concerned or interested in the proposed resolution.

*Corporate Office :*

"Beeyu House"

64A, Ballygunge Circular Road

Kolkata - 700 019

Kolkata, 30th June, 2008

By Order of the Board of Directors

Mahendra Kumar Dutia

GM (Finance) & Company Secretary



### DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name of the Director	Mr. F J Kapadia	Ms. Rajnie Singh	Mr. Arabinda Bose	Mr. B K Banerjee
Date of Birth	17th September, 1950	5th January, 1967	6th January, 1951	1st January, 1932
Date of Appointment	1st November, 2004	1st March, 2002	30th August, 2000	27th July, 2005
Expertise in specific functional areas	33 years of experience in Finance, Accounts and Banking with MNCs	Experience in procurement and export of tea	Vast experience in tea industry, especially marketing in Middle East countries.	Experience in working with large industrial houses
Qualifications	Chartered Accountant	MBA	B. Com.	
List of outside directorships held	Nil	Neelkanth Tea Company Limited	Nil	Nil
Chairman / Member of the Committee of the Board of Directors of Beeyu Overseas Limited	Nil	Nil	Member of the Audit Committee  Chairman of the Investors' Grievance Committee	Nil
Chairman / Member of the Committee of the Board of Directors of other Companies in which he/ she is a Director	Nil	Nil	Nil	Nil
Shareholding in the Company	Nil	2112 equity shares of Rs. 10/- each.	8452 equity shares of Rs. 10/- each.	Nil





## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fifteenth Annual Report to the members together with the Audited Accounts for the financial year ended 31st March, 2008.

## SOCIO-ECONOMIC ENVIRONMENT

The Indian Economy which was on the growth path over the last 5 years with increase in foreign exchange reserves and GDP has marginally slowed down with the RBI expecting GDP growth to be between 8 – 8.5% in 2008-09. Your Company remains committed to all social and economic objectives and continue to enlarge its contribution wherever possible.

## FINANCIAL RESULTS

	Year ended 31st March, 2008 Rs. in lacs	Year ended 31st March, 2007 Rs. in lacs
Profit/(Loss) Before Tax	(225.61)	(116.42)
Less : Provision for Taxation	30.65	(37.50)
Profit/(Loss) After Tax	(194.96)	(153.92)
Less : Balance Brought Forward from last year	3.07	179.99
Amount available for Appropriation	(191.89)	26.07
<b>APPROPRIATIONS</b>		
Balance carried to Balance Sheet	(191.89)	26.07
	(191.89)	26.07

## DIVIDEND

Owing to the extremely difficult environment in the tea industry during the year, your Company was unable to generate profits and therefore it considered prudent not to recommend any dividend for the year under review.

## REVIEW OF OPERATIONS

Compared to the previous year, the operating results of the current year were affected owing to the following reasons:-

- Tea turnover decreased by 22%, sales volume fell by 5 %, resulting in average price realization during the year decreasing by Rs. 9.77. The market continued to be extremely competitive and as in the previous year, your Company was obliged to ensure that there is no loss of market share particularly for exports to Pakistan, which has been the major contributor to the turnover. Therefore, there were instances where sales had to be closed at prices which were lower than the cost of production resulting in a loss.
- In the previous year, we had intimated in our Directors' Report that the large portion of the coffee business had been shifted to Alliance Coffee Ltd., a Company formed by Beeyu Overseas Ltd., as a Joint Venture with Tata Coffee Ltd. In the year 2007-08, there was no coffee turnover compared to Rs.805 lacs in 2006-07. Moreover, there was also no Coffee Agency Commission for the current year whereas in the previous year, it amounted to Rs.26.7 lacs. Therefore, in the absence of both Coffee turnover and commission, the total sales during the year was substantially lower.
- Other income during the year amounted to Rs. 305 lacs compared to Rs. 47 lacs in the previous year. In the current year, your Company has ensured that by prudent hedging of foreign exchange risks, the total foreign exchange gain amounted to Rs.173 lacs. Moreover, the income from DEPB Licence sales amounted to Rs. 70 lacs. This has helped to partially offset the fall in turnover during the year.
- Another major contributor to the erosion of margins was finance charges at Rs. 145 lacs, an increase of 20 % compared to the previous year.
- During the year under review, your Company has changed the Accounting Policy on depreciation of new factory Building and Plant & Machineries at Ooty, capitalized during the previous year ended 31st March, 2007 from Written Down Value Method to Straight Line Method with retrospective effect from 1st April, 2006. Accordingly, excess provision for depreciation amounting to Rs.75.30 lacs relating to the Financial Year 2006-07 has been written back and disclosed as exceptional item during the current year ended 31st March, 2008. Had the earlier policy been followed, depreciation for the current year would have been higher by Rs. 148.40 lacs with consequential effect on the loss for the period. Depreciation during the year amounted to Rs. 122 lacs compared to Rs. 202 lacs based on the revision of Depreciation Method from Written Down Value to Straight Line Method on the assets for the new project at Ooty.

**ACTION PLAN**

In 2008-09, action plan has been put in place to ensure that costs are reduced, turnover enhanced and over-all margin increased :-

- Your Company has taken action at all levels to control expenses and optimize utilization of assets. Stress has been given on procurement practice particularly with regard to Green Leaf and Firewood, etc., so that the conversion / production cost of tea is reduced.
- At the Ooty factory, particular stress is laid to produce good quality CTC and Orthodox teas both for the export and domestic market. It may be stressed that there is good demand for our teas in Pakistan and Afghanistan.
- 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 Rs.596 lacs out of the total consideration of approximately Rs. 921 lacs. The sale is expected to be concluded within the year 2008-09. It may be stressed once again that the sale will in no way affect the production, marketing or any other operational activities of the company. It was intended to utilize the sale proceeds of the land to reduce the borrowings and thereby improve the working capital position. It may be noted that the total borrowings of your Company which stood at Rs.1754 lacs as on 31.03.2007 was Rs. 1120 lacs as at 31.03.2008, which indicates reduction of Rs. 634 lacs in the current year. We anticipate reduction of the borrowings further and also the financial cost which is expected to have positive impact on the margins of the Company.
- Your Company continues to lay stress on the direct sales to the customers as-well-as through the auction centers to ensure that highest possible margins are generated.
- In the current year, there are very positive trends indicating that the tea market in India could be buoyant. One of the major reasons for this is the decrease of 41 mkg. in the production of Kenya in the first 4 months of the current year. The fall in Kenya's production is due to drought like conditions as-well-as the disturbed political situation in the early part of the current year. Owing to the shortfall in production in Kenya, the average price of Kenya Tea as at end of June '08 was USD 2.48 per kg compared to USD 1.72 per kg. in the corresponding period of the previous year. Owing to the sharp increase in price, the foreign buyers particularly Pakistan, Afghanistan, Egypt and U.K., who normally source teas from Kenya, are mainly looking at India for purchasing tea. Your Company is fully equipped to maximize this advantage owing to the increase in demand for Indian CTC tea particularly in Pakistan.
- The operations of Alliance Coffee Limited, a joint venture company of Beeyu Overseas Limited and Tata Coffee Limited has been quite profitable and expected to further improve in 2008-09.

**SIGNIFICANT DEVELOPMENTS**

After obtaining the approval of shareholders through postal ballot, your Company is in the process of selling approximately 40 acres of unutilized and unproductive land at Ooty factory and it is expected that the sales will be concluded within the year 2008-09.

Your Board of Directors proposes the merger of Neelkanth Tea Company Limited, a subsidiary of your company, with Beeyu Overseas Limited which shall become effective from 1st April, 2008 subject to obtaining requisite approvals. This is to ensure that your Company benefits from the combined synergies of large scale production of both the Companies' factories situated at Ooty and Islampur. The necessary proposal in this regard will be placed before the shareholders' at the appropriate time.

**DIRECTORS**

Mrs. Lila Poonawalla ceased to be a Director of your Company with effect from 5th February, 2008, consequent upon her resignation. Your Directors would like to record their sincere appreciation for the valuable services rendered by her during her tenure as a Director.

Mr. Ram Gopal Bhattacharjee has joined as Additional Director of the Company with effect from 30th June, 2008 and his term of office as director ceases at the conclusion of the ensuing Annual General Meeting. Being eligible, he seeks appointment at the ensuing Annual General Meeting. Brief particulars of Mr. Ram Gopal Bhattacharjee, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, have been given in the Notice of the Meeting.

In terms of Article 142/143 of the Articles of Association of the Company, Mr. F. J. Kapadia, Ms. Rajinie Singh, Mr. Arabinda Bose and Mr. Binoy Krishna Banerjee 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.