

Draft Prospectus



Beeyu Overseas Limited

(Incorporated under the Companies Act, 1956 on 4th March, 1993.)

Registered Office:

Beeyu House, 64A, Ballygunge Circular Road (Promothes Barua Sarani), Kolkata-700019

Tel: (033) 22809267/69, 22407162, 22477770 Fax: (033) 22808136

Email: beeyu@beeyuoverseas.com Website: www.beeyuoverseas.com

Public Issue of 71,40,000 Equity Shares of Rs. 10/- each, for cash at a premium of Rs. 4/- per equity share (i.e. at a price of Rs. 14/- per equity share) aggregating to Rs. 999.60 Lacs.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the Issuer and the Offer including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India nor does the Securities and Exchange Board of India guarantee the accuracy or the adequacy of this document. Investors are advised to refer to the page no. 5 for the statement on risk factors pertaining to this offer.

ISSUERS' ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The equity shares of the company are listed on the Calcutta Stock Exchange Association Ltd., Cochin Stock Exchange Ltd. and Coimbatore Stock Exchange Ltd. The existing shares and the new shares which are ranking pari-passu with the existing shares are proposed to be listed on The Calcutta Stock Exchange, (The Designated Stock Exchange), The Stock Exchange, Mumbai, Cochin Stock Exchange Ltd. and Coimbatore Stock Exchange Ltd. The company has received in-principle approvals from these stock exchanges for the listing of the equity shares pursuant to letters dated _____, _____, _____, _____ and _____ respectively.

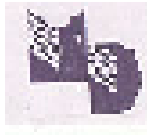
LEAD MANAGER TO THE ISSUE	REGISTRARS TO THE ISSUE
 CANARA BANK (A Government of India Undertaking) Corporate Merchant Banking Division, Treasury & International Operations Wing, Head Office, 112, J.C.Road, Bangalore-560002, Ph:22128043 / 44, 22233771 Fax: 22128056, E-mail: beeyu.pi@canbank.co.in SEBI Reg. No. MBINM000002558 UIN NO. 100007328	 MAHESHWARI DATAMATICS PVT. LTD 6, Mangoe Lane, (Sundari Mohan Ghosh Sarani) Kolkata -700001 Ph:22435029/ 22435809 Fax: 22484787 E-mail: mdpl@cal.vsnl.net.in SEBI Reg. No. INR0000000353
ISSUE OPENS ON:	
ISSUE CLOSES ON:	

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DEFINITIONS:

Act	The Companies Act, 1956
Application Form	The form in terms of which the investors shall apply for the Equity Shares of the company
Articles	Articles of Association of Beeyu Overseas Ltd.
BSE	The Stock Exchange, Mumbai
BOD / Board	Board of Directors of Beeyu Overseas Ltd. or a committee thereof
Company, Issuer,	Beeyu Overseas Ltd.
Designated Stock Exchange	Kolkata Stock Exchange.
Draft Offer Document/Prospectus	This document which is not a Prospectus under section 60 of the Companies Act, 1956.
FEMA	Foreign Exchange Management Act, 1999
Issue/Offer	Public Issue of 71,40,000 Equity Shares of Rs.10/- each for cash at a premium of Rs. 4/- per equity share (i.e. at a price of Rs. 14/- per equity share) aggregating to Rs. 999.60 Lacs.
Issue Opening Date	The date on which the issue opens for subscription.
Issue Closing Date	The date on which the issue closes for subscription
Issue Period	The period between the Issue Opening Date and Issue Closing date
Memorandum	Memorandum of Association of the company i.e. Beeyu Overseas Ltd
NRI	Non-Resident Indian
Public Issue Account	Account opened with Bankers to the Issue for collection of Application Money.
Registrars to the Issue	Maheshwari Datamatics Pvt. Ltd.
SEBI	Securities And Exchange Board of India
ABBREVIATIONS:	
AGM	Annual General Meeting.
BA	Beneficiary Account
BV / NAV	Book value / Net asset value
CDSL	Central Depository Services (India) Ltd.
DP	Depository Participant.

EPS	Earnings Per Share.
FIIIs	Foreign Institutional Investors, who are registered with SEBI.
GOI	Government of India.
I.T. Act	Income-tax Act 1961.
BOL	Beeyu Overseas Ltd.
NRI(s)	Non-Resident Indian (s)
NSDL	National Securities Depository Limited
OCB(s)	Overseas Corporate Bodies as defined under Indian laws
RBI	Reserve Bank of India.
ROC	Registrar of Companies.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended)
The Act	The Companies act, 1956 (as amended from time to time)

FORWARD-LOOKING STATEMENTS; MARKET DATA

We have included statements in this Draft Prospectus which contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in the industry.

For further discussion of factors that could cause our actual results to differ, see the section entitled “Risk Factors” beginning on page 5 of this Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither the Company nor the members of the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company and the LMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

Market/Industry data used throughout this Draft Prospectus was obtained from the company and various reports of Tea Board, Indian Tea Association, Calcutta Tea Traders Association, Journals, Periodicals, Newspapers, etc. The information contained in those publications has been obtained from sources believed to be reliable, but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although, we believe Market data used in this Draft Prospectus is reliable, it has not been independently verified. Similarly, data provided by the Company, while believed by us to be reliable, have not been verified by any independent sources.

CURRENCY OF PRESENTATION:

In this Prospectus all reference to "Rs" refer to Rupees, the lawful currency of India, the word "Lacs" or "Lakhs" means "one hundred thousand". All financial data contained in this Prospectus has been rounded off to the nearest Lacs, except stated otherwise. In this Prospectus, any discrepancy in any table and sums of the amount listed are due to rounded off.

RISK FACTORS AND MANAGEMENT PERCEPTIONS THEREOF**INTERNAL TO BEEYU OVERSEAS LIMITED**

1. There has been infrequent transaction in the shares of the Company on the Stock Exchanges.

Management Perception:

The Company shares will be listed at The Stock Exchange, Mumbai which is national level electronically connected Stock Exchange. Moreover the post issue share capital will be substantially larger than the existing capital of the Company, which may result into better liquidity and volumes in the scrip.

2. The profit margins of the Company have declined during 2003-04.

Management Perception:

The overall negative factors, which were prevailing in the Global markets during the last two to three years like the terrorist attack on World Trade Centre, war in Afghanistan, Iraq etc., led to recessionary trends in the global economy, which in turn resulted in lower margins for the Company. Apart from these periods, the margins of the Company have remained fairly steady. The Industry has picked up in the current year and the Company anticipates an improvement in its profits.

3. Perishable nature of products.

Management Perception:

The Company is exporting the products on firm order basis. The Company has been exporting the products for more than a decade and has got firm alternatives to mitigate the above problem. Further, Tea and Coffee, though agricultural product have a longer shelf-life than most other agro-based commodities and with proper packaging can be stored for a considerable long period. The tea produced by the company is manufactured in a highly automated environment and passes through several steps for sorting and cleaning before being packed by automatic machines in food grade packages. As such the shelf-life of the product is long.

4. The Company has not obtained sanction for adequate Power supply for its expansion activities.

Management Perception

Since the new project is coming up in the same premises, the Company does not foresee any difficulty in obtaining additional Power supply as envisaged. However the Company is also providing for alternative source of Power supply like purchase of Generator.

5. Company has not obtained clearance from Pollution Control Board.

Management Perception

Company has already obtained consent from the Tamilnadu Pollution Control Board for its existing Plant. Since the expansion is taking place in the same factory premises and the activities are going to be similar, the Company does not foresee any difficulty in getting the consent.

6. The Company does not have any strong tie-ups/alliances with reputed major suppliers or customers, in absence of which the company may not be able to generate continuous revenues

Management Perception:

Being an established player, the Company is confident of repeat orders based on the past experience and cordial relations with suppliers & customers. Moreover, the Company strategically plans to diversify its product mix and market mix in such a way that it generates revenue throughout the year.

7. The Project Report has not been appraised by any Institution.

Management Perception

The Company has prepared the Project Report based on market rates and its past experience of setting up three tea manufacturing units in the existing factory premises. The expansion of the activity is only an extension, the rates mentioned in the report are competitive. The State Bank of India has sanctioned a term loan of Rs. 3 crores against the above project.

8. The Company has not placed orders for supply of Plant and Machinery.

Management Perception

The Plant and Machinery are readily available in the market and as such the Company is not foreseeing any difficulty in procuring the same.

9. The availability, cost and quality of the raw materials used in business can vary and cause wide fluctuations in profit margins.

Management Perception:

As the factory is situated in the growing belt and the local tea growers have been selling green leaves to the Company for the last 4 years, the Company does not envisage any problem in sourcing the additional requirement of green leaves. To ensure consistent supply of quality green leaf, the Company has adopted a village 'Thummanhutti' near its factory with the help of Tea Board, Ooty and UPASI. The village produces quality green leaf. The cost of green leaf is fixed by the local authority based on the prevailing auction price and the conversion ratio of green leaf to made tea which is published monthly and is applicable to all tea factories in South India.

10. Seasonality of the products dealt by the Company.

Management Perception:

To stabilize the fluctuations in the earnings of the company due to the seasonality of tea and coffee, the Company has adopted a two pronged strategy. On one hand it has explored and started exporting to different markets so that the decrease in demand in one market can be counter-balanced by increased off-take in others. The Company has also entered the domestic market in bulk sale through auction houses and agents so that the steady demand in the local markets can be exploited. And on the other hand, the Company has diversified as merchant exporter in several agro-based products. The seasons of agricultural commodities dealt in by the Company are spread through out the year. Due to the increasing size of the product basket and its entry in the domestic market the Company is confident of countering the risks on account of seasonability.

11. As the Company has entered the de-bonded from MEPZ for one of its factories, the advantages of 100% EOU will not accrue in respect of that unit.

Management Perception

In respect of the exports made from the factory the Company will be availing facilities under the Duty Drawback Scheme and as such there may not be any impact on its profitability. Further, the margins of domestic sales being higher the Company anticipates higher profit margin.

EXTERNAL

1. Export realization is subject to exchange rate fluctuation.

Management Perception:

The Company has over the years, developed its risk management systems, both in the commodity market as well as in the currency market. The Company installed online information system services, which provide live quotes of forex. The Company hedges various exposures in foreign currency.

2. Any adverse changes in the Government fiscal policies with respect to concessions on export profit, duty free import entitlement for exports or concessional interest rates on export finance may affect the performance and profitability of the Company.

Management Perception:

Export being the main source of earning for the much needed foreign exchange, it is expected that the Government policies are likely to be favourable to the export industry.

3. Merchant Export activities have become very competitive with many new entrants.

Management Perception:

The Company's Promoters have rich experience of over 4 decades in this industry. The Company expects that it would be in a position to effectively counter competition in view of its large scale of operations. The Company has redefined its scope by entering the domestic market in a major way.

4. Financial Statements in the Offer Document: The financial statements and derived ratios therefrom contained in the Offer Document are prepared as per the permissible accounting

policies. The Investors may want to make their own adjustments to the same before arriving at an investment decision in the Offer.

Management Perception:

The financial statements and derived ratios have been prepared in conformity to the extant guidelines and the same have been certified by the statutory auditors of the Company.

5. New entrants like China and Kenya, have increased their presence in the global tea market because of their competitiveness. Another traditional tea growing country Sri Lanka has also become very competitive in prices.

Management Perception:

There has been constant endeavor by the Company to reduce costs and improve quality so that the Company can withstand competition from such markets. Although India's share of Tea exports has been decreasing over the years, there has also been an emphasis on increase in productivity and quality. Despite the loss of export markets, Indian companies have been insulated because of fast growing domestic consumption.

6. The Government policy of opening free trade between SAARC countries under SAFTA (South Asia Free Trade Agreement) has opened up the domestic market for Sri Lankan tea thus posing a competitive threat.

Management Perception:

Initially when large quantities of Sri Lankan tea came into the market, the Government clarified that bulk tea can be imported only for re-exports. Packaged teas are available under concessional customs duty for sale in the local market. The Company, however, has felt no impact from the import of Sri Lankan packaged tea. Also, if the Sri Lankan bulk tea is allowed to be sold in the open market, it will not hurt the Company in view of the direct export contracts.

7. Over the years a decline in tea prices is noticed.

Management Perception:

The tea industry has been reeling under severe pressure from consistently declining tea prices over the last few years. However the prices have shown an improvement from the beginning of 2004 and the Company expects the average price realisations in 2004-05 to improve over the previous year. Further the Company is exporting bulk of its products and as such its earnings have not been affected.

8. The overall production of tea is linked to weather conditions like rainfall, adequate water supply and other such natural factors. Any shortfall can adversely affect the Company's production.

Management Perception:

Tea being a plantation product and the production and quality of Tea is dependent on climatic conditions. As a measure of protection against the vagaries of the weather, the Company has diversified into various commodities with wide regional distribution. Its product basket now include agricultural produces like rice, wheat, pulses, mustard oil, sesame seed, sunflower oil etc. produced in other parts of the country.

9. The Company has not deposited Rs. 21.47 lacs towards Income Tax dues and Rs.0.37 lacs towards Sales Tax dues as at 31.03.2004.

Management Perception:

The Company has already gone for appeal with appropriate authorities. However, even if the appeals are turned down, the Company will meet the dues through its internal accruals.

Notes

- ❑ Investors are advised to refer to "Basis of Issue Price" on Page 49 before investing in this Issue.
- ❑ Net worth of the Company before the Issue (as on 30th September, 2004) was Rs. 1,185.74 Lakhs
- ❑ The book value (NAV) of the equity shares of the Company as on 30th September, 2004 was Rs. 16.88/- per share.
- ❑ Investors may note that in the event of over subscription, the lead manager to the issue and the registrar to the issue shall be responsible to ensure that the basis of allotment is finalised in a fair and proper manner.

HIGHLIGHTS

1. The Net Worth of the Company as on September 30, 2004 is 1185.74 lacs.
2. Book Value of the equity shares of the Company as on September 30, 2004 is Rs. 16.88.
3. BOL has three factories in Ooty, i.e., CTC Tea Factory, Orthodox Tea Factory and Blending Factory with state-of-art technology. The Company has been certified ISO 9001: 2000 by DET NORSKE VERITAS for Quality Management System Standard.
4. BOL is a recognized Export House for the last 5 years.
5. BOL has been making profits consistently since its inception.
6. BOL has been paying dividends consistently.
7. The Company has made bonus issue of shares in the financial years 1998-99, 2002-03 and 2003-04.
8. Tax benefits under the Income Tax Act, 1961:
 - (a) Dividend exempt under Sections 10(34) and 115 O,
 - (b) Exemption of Capital Gain under Sections 54EC, 54ED and 54F,
 - (c) Deduction equal to 90% of the profits under Section 10B
9. Listing at The Stock Exchange, Mumbai, Calcutta, Cochin and Coimbatore Stock Exchanges.

PART: I

GENERAL INFORMATION



Beeyu Overseas Limited

(Incorporated under the Companies Act, 1956 on 4th March, 1993.)

Registered Office:

Beeyu House, 64A, Ballygunge Circular Road (Promothes Barua Sarani), Kolkata-700019

Tel: (033) 22809267/69, 22407162, 22477770 Fax: (033) 22808136

Email: beeyu@beeyuoverseas.com Website: www.beeyuoverseas.com

Public Issue of 71,40,000 Equity Shares of Rs. 10/- each, for cash at a premium of Rs. 4/- per equity share (i.e. at a price of Rs. 14/- per equity share) aggregating to Rs. 999.60 Lacs.

AUTHORITY FOR THE ISSUE

Pursuant to Section 81 (1A) of the Act, the present issue of equity shares has been authorized vide a special resolution passed at the Annual General Meeting of BOL held on 6th September 2004. The Board of Directors have approved the issue by a resolution passed at its meeting held on 29th May 2004.

GOVERNMENT APPROVALS

The Company is an approved Export House as per the certification issued by the Office of Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India and the Certificate is valid till 31.03.2007. Since the expansion is in the same activity, no further approvals from any Government authority are required by the Company to undertake the activities

PROHIBITION BY SEBI

The Company, its Promoters, Directors and companies with which the Directors of issuer are associated, as Directors or Promoters, have not been prohibited from accessing the capital market under any order or direction passed by SEBI. The listing of any securities of the issuer has never been refused at anytime by any of the Stock Exchanges in India.

ELIGIBILITY FOR THE ISSUE

In terms of clause 2.3.1, BOL is eligible to make Public Issue of Equity Shares as the aggregate of the proposed issue size i.e. Rs.999.60 lakhs does not exceed 5 times its pre-issue Net Worth of Rs.1166.36 lakhs as per the Audited Balance Sheet of the last Financial year ended on 31.03.2004. The Company has not made any other issue of Equity Shares in the same Financial year.

The Company, its Promoters and its Directors have not been prohibited from accessing the Capital market under any order or direction passed by SEBI or any other Regulatory Authority. Further the Promoters, Directors and their relatives are not detained as willful defaulters by RBI / Government Authorities.

DISCLAIMER CLAUSE

AS REQUIRED A COPY OF THE DRAFT OFFER DOCUMENT HAS BEEN SUBMITTED TO SEBI, IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. LEAD MANAGER, CANARA BANK, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI GUIDELINES FOR DISCLOSURE AND INVESTOR PROTECTION FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER. IT SHOULD ALSO, BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL THE RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS

BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, CANARA BANK HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED 20TH DECEMBER, 2004 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC., AND OTHER MATERIALS IN CONNECTION WITH THE FINALIZATION OF THE PROSPECTUS PERTAINING TO THE SAID OFFER;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE ISSUER;

WE CONFIRM THAT

- a) THE PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
 - b) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE, AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC., ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - c) THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.
3. WE CONFIRM THAT BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID;
 4. IF UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS."

THE FILING OF THIS PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER, RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER TO THE ISSUE, ANY IRREGULARITIES OR LAPSES IN THE PROSPECTUS.

GENERAL DISCLAIMER

The Issuer and lead manager accept no responsibility for statements made otherwise than in the Prospectus or in the advertisements or any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his/her risk.

DISCLAIMER CLAUSE OF THE CALCUTTA STOCK EXCHANGE ASSOCIATION LTD.:
(to be modified in line with their observation letter)

The Calcutta Stock Exchange Association Ltd., (Designated Stock Exchange) has given vide its letter dated permission to the Company to use the Exchange's name in this offer Document as one of the Stock Exchanges on which this Company's securities are proposed to be listed. The CSE has taken on record this Offer Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company based on the assurances, averments, statements and other managerial, administrative, technical and financial information duly seen and examined by the Lead Managers/ Managers/ Advisors and Directors and Managers of the Company. The Exchange does not in any manner:-

- a. Warrant, certify or endorse the correctness or completeness of any of the contents of this Document; or
- b. Warrant that this company's securities will be listed or will be listed or will continue to be listed on the Exchange; or

- c. Take any responsibility for the financial or other soundness of this company, its promoters, its management or any scheme or project of this company;

And it should not for any reason be deemed or construed that this Offer Document has been cleared or approved by the Exchange.

Every person who desires to apply for or otherwise acquires any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

**DISCLAIMER CLAUSE OF THE STOCK EXCHANGE, MUMBAI
(to be modified in line with their observation letter)**

The Stock Exchange, Mumbai, has given vide its letter no. dated permission to BOL to use Exchange name in this Offer Document as one of the stock exchanges on which BOL securities are proposed to be listed. The BSE has scrutinized this Offer Document for their limited internal purpose of deciding on the matter of granting the aforesaid permission to BOL. The Exchange does not in any manner

- i) Warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document,
- ii) Warrant that BOL securities will be listed or will continue to be listed on the Exchange, or
- iii) Take any responsibility for the financial or other soundness of BOL, its promoters, its management or any scheme or project of BOL.

And it should not, for any reason be deemed or construed that this Offer Document has been cleared or approved by the said Exchange.

Every person who desires to apply for or otherwise acquires any securities of BOL may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the said Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

**DISCLAIMER CLAUSE OF THE COIMBATORE STOCK EXCHANGE LTD.:
(to be modified in line with their observation letter)**

The Coimbatore Stock Exchange Ltd. has given vide its letter no. dated permission to BOL to use Exchange name in this Offer Document as one of the stock exchanges on which BOL securities are proposed to be listed. The Coimbatore Stock Exchange has scrutinized this Offer Document for their limited internal purpose of deciding on the matter of granting the aforesaid permission to BOL. The Exchange does not in any manner

- i) Warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document,
- ii) Warrant that BOL securities will be listed or will continue to be listed on the Exchange, or
- iii) Take any responsibility for the financial or other soundness of BOL, its promoters, its management or any scheme or project of BOL.

And it should not, for any reason be deemed or construed that this Offer Document has been cleared or approved by the said Exchange.

Every person who desires to apply for or otherwise acquires any securities of BOL may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the said Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

**DISCLAIMER CLAUSE OF THE COCHIN STOCK EXCHANGE LTD.:
(to be modified in line with their observation letter)**

The Cochin Stock Exchange Ltd. has given vide its letter no. dated permission to BOL to use Exchange name in this Offer Document as one of the stock exchanges on which BOL securities are proposed to be listed. The Cochin Stock Exchange has scrutinized this Offer Document for their limited internal purpose of deciding on the matter of granting the aforesaid permission to BOL. The Exchange does not in any manner

- i) Warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document,
- ii) Warrant that BOL securities will be listed or will continue to be listed on the Exchange, or
- iii) Take any responsibility for the financial or other soundness of BOL, its promoters, its management or any scheme or project of BOL.

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Every person who desires to apply for or otherwise acquires any securities of BOL may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the said Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

DISCLAIMER IN RESPECT OF JURISDICTION

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are majors, Hindu Undivided Families, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, or any other Trust law and who are authorized under their constitution to hold and invest in shares) and to NRIs, and FIIs as defined under the Indian Laws. This Offer Document does not, however, constitute an offer to sell or an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Offer Document comes is required to inform himself about and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in India only. No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Offer Document has been submitted to the SEBI. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Offer Document may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Offer Document nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of BOL since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

FILING

A copy of this Prospectus, along with the documents required to be filed under Section 60 of the Act, has been delivered for registration to the Registrar of Companies, West Bengal at Kolkata. A copy of this Prospectus has been submitted to the Securities and Exchange Board of India, Kolkata (hereinafter referred to as SEBI).

LISTING

Application has been made by BOL to the The Calcutta Stock Exchange Association Ltd. (Designated Stock Exchange), the Coimbatore Stock Exchange Ltd., The Cochin Stock Exchange Ltd. and The Stock Exchange, Mumbai (BSE) for permission to list the equity shares and for an official quotation of the equity shares of BOL. In case the permission to deal in and for official quotation of the equity shares is not granted by the above mentioned stock exchanges, the Issuer shall forthwith repay without interest, all monies received from applicants in pursuance of this Prospectus and if such money is not repaid within 8 days after the day from which the Issuer is liable to repay it, the Issuer shall pay interest as prescribed under section 73(2) of the Act.

IMPERSONATION

Attention of the applicant is specifically drawn to sub-section (1) of Section 68A of the Act, which is reproduced below:

"Any person who

- (a) Makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein, or**
- (b) Otherwise induces a company to allot or register any transfer of shares therein to him, or any other person in a fictitious name shall be punishable with imprisonment for a term which may extend to five years."**



MINIMUM SUBSCRIPTION

If the Company does not receive minimum subscription of 90% of the amount payable on application on the date of closure of the Issue or the subscription level falls below 90% after the closure of the issue on account of cheques having been returned unpaid or withdrawal of applications, BOL shall forthwith refund the entire amount received. If there is a delay beyond 8 days after the date from which BOL becomes liable to pay the amount, BOL shall pay interest as per Section 73 of the Companies Act 1956.

SHARE CERTIFICATES/ ALLOTMENT LETTERS/REFUND ORDERS

Letter(s) of Allotment/Share Certificate(s) together with refund orders of value over Rs.1,500/-, if any, to allottees and Letter(s) of regret together with refund orders of value over Rs.1,500/- to non-allottees will be despatched by registered post and refunds of value Rs.1,500/- and less will be dispatched under certificate of posting at the applicant's sole risk within 10 weeks from the date of closure of the subscription list.

Adequate funds for the above purpose will be made available to the Registrar to the issue to ensure dispatch of refund orders, allotment letters and share certificates by Registered Post/Certificate of Posting.

The company agrees that -

- a) As far as possible allotment of securities offered to the public shall be made within 30 days of the closure of the public issue.
- b) It shall pay interest @ 15% per annum if the allotment has not been made and the refund orders are not dispatched to the investors within 30 days from the date of closure of the issue.

Dispatch of share certificates/refund orders/cancelled and demat credit would be completed and allotment and listing documents would be submitted to the Stock Exchange within two working days of the finalisation of the basis of allotment. The listing and trading of the securities offered through this offer document shall commence at the aforesaid stock exchange where they are proposed to be listed within 7 working days of the date of finalisation of the basis of allotment.

ISSUE PROGRAMME

THIS ISSUE WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON THE DAYS AS MENTIONED BELOW:

ISSUE OPENS ON:	
ISSUE CLOSES ON:	

UNDERTAKING FROM PROMOTERS AND DIRECTORS:

The Company accepts full responsibility for the accuracy for the information given in the prospectus and confirms that to the best of their knowledge and belief, there are no other facts, their omission of which make any statement in the prospectus misleading and they further confirm that they have made all reasonable enquires to ascertain such facts. The issuer further declares that the stock exchange to which an application for official quotation is proposed to be made do not take any responsibility for the financial soundness of this offer or for the price at which the equity shares are offered or for the correctness of the statement made or opinions expressed in this offer document. The promoters/directors declare and confirm that no information/material likely to have a bearing on the decision of investors in respect of the shares offered in terms of this prospectus has been suppressed, withheld and/or incorporated in the manner that would amount misstatement/misrepresentation, and in the event of its transpiring at any point of time till allotment/refund, as the case may be, that any information/material has been suppressed/with held and/or amounts to a misstatement/misrepresentation, the promoter/directors undertake to refund the entire application monies to all the subscribers within 7 days thereafter without prejudice to the provisions of section 63 of the Companies Act.

ISSUE MANAGEMENT TEAM LEAD MANAGER TO THE ISSUE



CANARA BANK

(A Government of India Undertaking)
Corporate Merchant Banking Division, Treasury & International Operations Wing,
Head Office, 112, J.C.Road, Bangalore-560002,
Ph:22128043 / 44, 22233771, Fax: 22128056,E-mail: beeyu.pi@canbank.co.in
SEBI Reg. No. MBINM000002558, UIN NO. 100007328



KARVY INVESTOR SERVICES LTD.

Merchant Banking Division
'Karvy House', 46, Avenue 4, Street No.1, Hyderabad – 500034
Ph: 040 – 23312454/23320251, Fax:040 – 23374714, E-mail:mbd@karvy.com
SEBI Reg. No. MBINM000008365

AUDITORS M/s Price Waterhouse Plot No.Y-14, Block – EP Sector V, Bidhan Nagar Kolkata-700091 Ph: 2220 9001-06; Fax: 033 2220 2420	REGISTRAR TO THE ISSUE MAHESHWARI DATAMATICS PVT. LTD  6, Mangoe Lane, (Sundari Mohan Ghosh Sarani), Kolkata – 700001 Ph:22435029/ 22435809, Fax: 22484787 E-mail: mdpl@cal.vsnl.net.in SEBI Reg. No. INR0000000353
BANKERS TO THE Company State Bank of India, Overseas Branch, 1, Strand Road, Kolkata-700001 UTI Bank Ltd Kolkata Main Branch 7, Shakespeare Sarani, Kolkata-700071	COMPLIANCE OFFICER Mr. Rajarshi Chattorpadhyay Company Secretary 64A, Ballygunge Circular Road Kolkata-700019 Ph: (033) 22809267 to 69 Fax: (033) 22808136 E-mail: co.sec@beeyuoverseas.com
BANKERS TO THE ISSUE	

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES AMONGST LEAD MANAGERS

Interse allocation Agreement of responsibility between M/s Canara Bank, Corporate Merchant Banking Division, Head Office, Bangalore, Pre-Issue Lead Manager and Karvy Investor Services Ltd., Hyderabad, Post-Issue Lead Manager as demarcated and submitted to the Board as follows:

Sl. No.	Activity	Responsibility	Co-Ordination
1.	Capital structuring with the relative components and formalities such as type of instruments	Canara Bank	Canara Bank
2.	Due diligence of the Company' s operations / management / business plan / legal etc.	Canara Bank	Canara Bank
3.	Drafting and Design of the offer document and of statutory advertisement including Memorandum containing salient features of the Prospectus. The designated Lead Merchant Banker shall ensure compliance with stipulated requirements and completion of prescribed formalities with Stock Exchange, Registrar of Companies and SEBI.	Canara Bank	Canara Bank
4.	Preparation of publicity budget Arrangements for selection of (i) Ad-media (ii) Centers of holding conferences of brokers, investors etc	Karvy	Canara Bank
5.	(iii) Bankers to the issue	Karvy	Canara Bank
6.	(iv) Collection Centres	Karvy	Canara Bank
7.	Selection of various agencies connected to the issue	Karvy	Canara Bank
8.	Follow-up with bankers to the issue to get quick estimates of collection and advising the issuer about closure of the issue, based on the correct figures	Karvy	Canara Bank
9.	Post issue activities. The post issue activities will involve essential follow-up steps, which must include finalisation of basis of allotment / weeding out of multiple applications, listing of instruments and dispatch of certificates and refund, with the various agencies connected with the work such as Registrars to the Issue, Bankers to the Issue and the Bank handling refund business. Even if many of these activities would be handled by other intermediaries, the designated Lead Manager shall be responsible for ensuring that these agencies fulfill their function and enable him to discharge his responsibility through suitable agreement with the Issuer Company	Karvy	Karvy

CREDIT RATING/DEBENTURE TRUSTEE

This being an Offer of Equity Shares, no credit rating or appointment of Debenture Trustees is required.

UNDERWRITING

The issue is not being underwritten.

BROKERS TO THE ISSUE

The members of the recognised Stock Exchanges in India shall be eligible to act as Brokers to the Public Issue.

II. CAPITAL STRUCTURE OF THE COMPANY (In Rupees)

	PARTICULARS		NOMINAL VALUE	ISSUE AMOUNT
A	AUTHORISED			
	1,50,00,000	Equity Shares of Rs.10/- each	15,00,00,000	15,00,00,000
B	ISSUED, SUBSCRIBED & PAID UP			
	70,22,004	Equity Shares of Rs.10/- each	7,02,20,040	7,02,20,040
C	PRESENT ISSUE			
	71,40,000	Equity Shares of Rs.10/- each	7,14,00,000	7,14,00,000
D	NET OFFER TO THE PUBLIC			
	71,40,000	Equity Shares of Rs.10/- each for cash at a premium of Rs.4 per share	7,14,00,000	9,99,60,000
E	AGGREGATE CAPITAL AFTER THE ISSUE			
	1,41,62,004	Equity Shares of Rs.10/- each	14,16,20,040	14,16,20,040
F	SHARE PREMIUM ACCOUNT			
	Before the issue			Nil
	After the issue			2,85,60,000

NOTES:

1. The authorised share capital of BOL has been increased from Rs.7.25 crores divided into 72.50 lacs equity shares of Rs. 10 each to Rs. 15.00 crores divided into 150 lacs equity shares of Rs.10 each through an amendment of the Memorandum and Articles of Association by a resolution passed at the Company's Annual General Meeting held on 6th September , 2004.
2. The Promoters group presently holds 69.60% of the share capital of the Company. The Promoter Group's holding after the issue shall be 34.51% of the Post Issue paid up capital.

DETAILS OF SHARE CAPITAL HISTORY

Date of Allotment	No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	% of Issued Paid-up capital	Consideration	Remark
04.03.1993	500	10	10	0.0071	Cash	On Incorporation
28.05.1993	80,000	10	10	1.1393	Cash	Preferential allotment
05.12.1994	200	10	10	0.0028	Cash	Preferential allotment
28.12.1996	39,300	10	10	0.5597	Cash	Preferential allotment
15.06.1998	1,20,000	10	10	1.7089	Cash	Right Issue
10.07.1999	20,28,750	10	10	28.8913		Bonus issue
10.07.1999	13,31,250	10	10	18.9583		Bonus issue
24.03.2000	17,25,000	10	10	24.5656	Cash	Public Issue
24.12.2002	5,31,970	10	10	7.5758		Bonus Issue
20.11.2003	11,70,334	10	10	16.6667		Bonus Issue
Total:	70,22,004			100.0000		

*5300 shares (i.e. 0.754 of the paid-up capital) were forfeited on 18.01.2002 for non-payment of first-and-final call.

3. Details of Shares held by Promoter group are as follows: -

	Name		Shareholding
A.	PROMOTERS		
1.	B.P.Singh	:	26,90,310
2.	B.P.Singh & Usha Singh	:	6,78,717
3.	Usha Singh	:	20,724
4.	Rajinie Singh	:	2,112
5.	Aprajita Singh & Ravi Singh	:	23,400
6.	Aprajita Singh	:	4,680
Total (A)		:	34,19,943
B.	PERSONS ACTING IN CONCERT		
7.	Shiv Kumar Malhotra	:	4,33,141
8.	Renu Malhotra	:	1,48,774
9.	Gaurav Malhotra	:	75,886
10.	Simmi Jain	:	1,44,144
11.	Kamal Prabha Jain	:	1,43,880
12.	Krishan Kumar Jain	:	1,04,676
13.	Ashish Jain	:	85,536
14.	Amita Jain	:	79,464
15.	Lalit Jain	:	67,452
16.	Saurabh Jain	:	62,502
17.	Sumeesh Jain	:	62,502
18.	Kasturi Lal Jain	:	59,532
Total (B)		:	14,67,489
Grand Total (A) + (B)		:	48,87,432

4. List of Top 10 Shareholders as on Two years prior to filing with ROC / 10 days prior to filing of Prospectus with ROC & as on date of filing of prospectus with ROC.

Sl. No.	Name of the Top Ten Shareholders	Number of Shares held		
		Ten days prior to date of filing with ROC	On the date of filing with ROC	Two years prior to filing with ROC
1.	Birendra Pratap Singh			23,95,723
2.	Shiv Kumar Malhotra			4,28,879
3.	Kamal Singh Pugalía			23,700
4.	Avadhoot L Shilotri			1,14,600
5.	Simmi Jain			1,09,200
6.	Kamal Prabha Jain			1,09,000
7.	Camelot Enterprise (P) Ltd			34,600
8.	Renu Malhotra			1,41,530
9.	Kishan Kumar Jain			79,300
10.	Ashish Jain			66,500

5. The Shareholding pattern of the company as on 30th November, 2004 as well as after the public issue is as follows:

ENTITY	EXISITING		AFTER PUBLIC ISSUE	
	NO. OF SHARES	% OF HOLDING	NO. OF SHARES	% OF HOLDING
PROMOTERS	34,19,943	48.70%	34,19,943	24.15%
Persons Acting In Concert	14,67,489	20.90%	14,67,489	10.36%
Promoter group	48,87,432	69.60%	48,87,432	34.51%
Corporate Bodies	3,21,472	4.59%	92,74,572	65.49%
Indian Public	18,13,100	25.81%		
TOTAL	70,22,004	100.00%	1,41,62,004	100.00%

PROMOTERS CONTRIBUTION AND LOCK-IN IN RESPECT OF PROMOTERS WHOSE NAME WILL BE FIGURING IN THE PROSPECTUS IN THE PARAGRAPH ON "PROMOTERS & THEIR BACKGROUND"									
Sl. No.	Name of the Promoter	Date of Allotment /Acquisition	Date when made fully paid-up	Consideration on (Cash, bonus, kind etc)	No. of Shares	Face Value	Issue Price	% of post-issue paid up capital	Lock in period
1	B.P. Singh	04.03.93	04.03.93	Cash	100	10	10.00	0.0007	(NIL)*
		28.05.93	28.05.93	Cash	5,000	10	10.00	0.0353	
		26.06.95		Cash	100	10	10.00	0.0007	
		25.05.97		Cash	39,300	10	10.00	0.2775	
		15.06.98	15.06.98	Rights-cash	65,000	10	30.00	0.4590	
		10.07.99		Bonus-14:1	15,33,000	10	BONUS	10.8247	
		04.07.00		Cash	18,000	10	12.30	0.1271	
		04.07.00		Cash	21,000	10	12.30	0.1483	
		16.08.00		Cash	15,600	10	13.25	0.1102	
		21.08.00		Cash	200	10	13.25	0.0014	
		11.09.00		Cash	28,000	10	16.10	0.1977	
		27.09.00		Cash	48,800	10	16.10	0.3446	
		04.10.00		Cash	2,400	10	13.50	0.0169	
		25.10.00		Cash	700	10	13.50	0.0049	
		03.11.00		Cash	8,300	10	13.00	0.0586	
		08.11.00		Cash	400	10	13.00	0.0028	
		09.11.00		Cash	200	10	13.00	0.0014	
		21.11.00		Cash	500	10	13.00	0.0035	
		09.01.01		Cash	20,200	10	12.25	0.1426	
		10.04.01		Cash	100	10	11.00	0.0007	
		11.05.01		Cash	1,500	10	10.00	0.0106	
		18.05.01		Cash	1,500	10	10.00	0.0106	
		24.05.01		Cash	1,500	10	10.00	0.0106	
		29.05.01		Cash	2,775	10	10.00	0.0196	
		05.06.01		Cash	38,448	10	9.90	0.2715	
		11.06.01		Cash	7,450	10	10.00	0.0526	
		25.06.01		Cash	5,000	10	9.60	0.0353	
		05.07.01		Cash	2,300	10	10.10	0.0162	
		16.07.01		Cash	6,200	10	10.00	0.0438	
		18.07.01		Cash	38,200	10	9.00	0.2697	
		23.07.01		Cash	600	10	10.00	0.0042	
		08.08.01		Cash	1,050	10	9.90	0.0074	
		14.08.01		Cash	1,000	10	9.80	0.0071	

		18.08.01		Cash	6,000	10	10.20	0.0424	
		25.08.01		Cash	1,100	10	10.30	0.0078	
		05.09.01		Cash	1,000	10	9.90	0.0071	
		15.09.01		Cash	3,000	10	9.94	0.0212	
		29.09.01		Cash	1,500	10	10.31	0.0106	
		05.10.01		Cash	6,300	10	10.32	0.0445	
		12.10.01		Cash	1,000	10	10.28	0.0071	
		17.10.01		Cash	36,200	10	10.25	0.2556	
		19.10.01		Cash	2,400	10	10.17	0.0169	
		03.11.01		Cash	2,000	10	10.22	0.0141	
		27.11.01		Cash	800	10	10.00	0.0056	
		08.11.02		Cash	900	10	10.50	0.0064	
		22.11.02		Cash	300	10	10.50	0.0021	
		25.11.02		Cash	100	10	10.50	0.0007	
		24.12.02		Bonus-1:10	1,97,702	10	BONUS	1.3960	
		14.01.03		Cash	24,700	10	10.50	0.1744	
		22.02.03		Cash	42,500	10	10.40	0.3001	
		20.11.03		Bonus-1:5	4,48,385	10	BONUS	3.1661	
					26,90,310	10		18.9967	
2	B.P.	10.04.94		Cash	15,000	10	10.00	0.1059	(NIL)*
	Singh	15.06.98		Rights-cash	15,000	10	30.00	0.1059	
	&	10.07.99		Bonus-14:1	4,20,000	10	BONUS	2.9657	
	Usha	25.06.00		Sold-cash	(1,500)	10	10.00	(0.0106)	
	Singh	25.06.00		Sold-cash	(28,500)	10	11.00	(0.2012)	
		25.08.00		Sold-cash	(1,000)	10	12.50	(0.0071)	
		15.11.02		Sold-cash	(2,200)	10	10.50	(0.0155)	
		24.12.02		Bonus-1:10	41,680	10	BONUS	0.2943	
		19.08.03		Sold-cash	(5,000)	10	12.05	(0.0353)	
		14.11.03		Bonus-1:10	(1,000)	10	14.48	(0.0071)	
		20.11.03		Bonus-1:5	90,496	10	BONUS	0.6390	
		09.12.03		Cash	28,304	10	12.50	0.1999	
		12.12.03		Cash	36,850	10	13.59	0.2602	
		17.12.03		Cash	3,550	10	13.40	0.0251	
		23.01.04		Cash	1,000	10	13.00	0.0071	
		26.03.04		Cash	22,994	10	13.35	0.1624	
		29.03.04		Cash	46	10	12.00	0.0003	
		16.04.04		Cash	410	10	12.50	0.0029	
		28.04.04		Cash	12,410	10	13.50	0.0876	
		12.05.04		Cash	9,000	10	12.85	0.0636	
		26.05.04		Cash	3,000	10	12.59	0.0212	
		02.06.04		Cash	1,500	10	12.42	0.0106	
		15.06.04		Cash	2,000	10	12.59	0.0141	
		17.06.04		Cash	100	10	12.09	0.0007	
		05.07.04		Cash	1,000	10	12.49	0.0071	
		21.08.04		Cash	1,000	10	12.50	0.0071	
		24.08.04		Cash	500	10	12.50	0.0035	
		25.08.04		Sold-cash	(100)	10	12.50	(0.0007)	
		26.08.04		Cash	1,000	10	12.50	0.0071	
		28.08.04		Cash	1,000	10	12.80	0.0071	
		30.08.04		Cash	555	10	12.50	0.0039	
		31.08.04		Cash	1,000	10	12.50	0.0071	



		01.09.04		Cash	500	10	12.40	0.0035	
		02.09.04		Cash	1,000	10	12.40	0.0071	
		03.09.04		Cash	500	10	12.25	0.0035	
		07.09.04		Cash	500	10	12.30	0.0035	
		08.09.04		Cash	500	10	12.50	0.0035	
		09.09.04		Cash	500	10	11.50	0.0035	
		10.09.04		Cash	500	10	12.35	0.0035	
		14.09.04		Cash	500	10	12.50	0.0035	
		15.09.04		Cash	500	10	12.50	0.0035	
		16.09.04		Cash	500	10	12.50	0.0035	
		20.09.04		Cash	500	10	12.45	0.0035	
		22.09.04		Cash	500	10	12.40	0.0035	
		25.09.04		Cash	500	10	11.50	0.0035	
		27.09.04		Cash	500	10	12.50	0.0035	
		09.10.04		Cash	990	10	19.00	0.0070	
		11.10.04		Cash	132	10	21.00	0.0009	
					6,78,717	10		4.7925	
3	Usha Singh	04.03.93	04.03.93	Cash	100	10	10.00	0.0007	(NIL)*
		28.05.93	28.05.93	Cash	15,000	10	10.00	0.1059	
		10.04.94		Cash	(15,000)	10	10.00	(0.1059)	
		10.07.99		Bonus-14:1	1,400	10	BONUS	0.0099	
		09.01.01		Cash	3,400	10	12.25	0.0240	
		25.08.01		Cash	8,000	10	10.30	0.0565	
		29.08.01		Cash	1,000	10	10.31	0.0071	
		03.09.02		Sold-cash	(200)	10	10.00	(0.0014)	
		05.09.02		Cash	2,000	10	9.90	0.0141	
		24.12.02		Bonus-1:10	1,570	10	BONUS	0.0111	
		20.11.03		Bonus-1:5	3,454	10	BONUS	0.0244	
					20,724	10		0.1463	
4	Rajinie Singh	04.03.93	04.03.93	Cash	100	10	10	0.0007	(NIL)*
		10.07.99		Bonus-14:1	1,400	10	BONUS	0.0099	
		24.10.99		Cash	100	10	12.30	0.0007	
		24.12.02		Bonus-1:10	160	10	BONUS	0.0011	
		20.11.03		Bonus-1:5	352	10	BONUS	0.0025	
					2,112	10		0.0149	
5	Aprajita Singh	12.05.00		Cash	2,800	10	10	0.0198	(NIL)*
		25.06.00		Cash	1,500	10	0.00	0.0106	
		25.06.00		Cash	28,500	10	0.00	0.2012	
		25.08.00		Cash	1,000	10	0.00	0.0071	
		16.09.02		Sold-cash	(6,700)	10	10.00	(0.0473)	
		31.10.02		Sold-cash	(100)	10	10.00	(0.0007)	
		15.11.02		Sold-cash	(2,400)	10	10.00	(0.0169)	
		30.11.02		Sold-cash	(1,100)	10		(0.0078)	
		18.12.02		Sold-cash	(1,500)	10	12.25	(0.0106)	
		24.12.02		Bonus-1:10	2,200	10	BONUS	0.0155	
		01.10.03		Sold-cash	(800)	10	10.3	(0.0056)	
		20.11.03		Bonus-1:5	4,680	10	BONUS	0.0330	
		31.12.03		Sold-cash	(23,400)	10	10.4	0.1652	
					4,680	10		0.0330	
6	Ravi Singh	15.10.03		Cash	23,400	10	10.4	0.1652	(NIL)*
					23,400			0.1652	
TOTAL PROMOTERS HOLDING					34,19,943			24.1487	

* Since the last issue was in February 2000, none of the shares presently held by the Promoters are under lock-in.

7. There is no buy back or standby arrangement for the purchase of equity shares offered through this Prospectus by the promoters, Directors, or Merchant Bankers.
8. BOL has not raised any bridge loan against the proceeds of this public issue other than those mentioned elsewhere in the Offer Document.
9. A minimum of 50% of the Offer shall initially be available for allotment to individual applicants who have applied for equity shares of or value of not more than Rs. 50,000/-. The balance 50% of the net offer of the shares to the public shall initially be made available for allotment to investors, including Corporate Bodies Institutions and individual applicants who apply for value of more than Rs. 50,000/-. The un-subscribed portion of the net offer to anyone of the above two categories shall be made available for allotment to applicants in the other category, if so required and allotment shall be made on a proportionate basis as per relevant SEBI guidelines. If the process of rounding off to the nearest multiple of 100 results in the actual allotment being higher than the equity shares available for allotment BOL shall allot additional equity shares up to a maximum of 10% of net public offer.
10. As the basis of allotment is on proportionate basis, in the process of rounding off to the nearest multiple of 100, the issue size may increase by a maximum of 10% of the present issue.
11. Shares offered through this public issue shall be made fully paid up or may be forfeited within 12 months from the date of allotment.
12. Total number of Shareholders as on date is 6,448.
13. The market lot of the Equity Shares is 1 (1 share).

III. TERMS OF THE PRESENT ISSUE

The equity shares now being issued are subject to the provisions of the Act, Memorandum and Articles of Association of the Company, terms of this Prospectus, the application form, the guidelines for listing of securities issued by the Stock Exchanges and Government of India and/or other statutory bodies and the guidelines for Disclosure and Investor Protection issued by the Securities and Exchange Board of India ("SEBI Guidelines") and the Depositories Act, 1996, to the extent applicable.

FACE VALUE/ISSUE PRICE

Equity shares of face value of Rs. 10/- each are being offered at a price of Rs. 14/- per share.

TERMS OF PAYMENT

Application should be for a minimum of 200 equity shares and in multiples of 100 Equity shares thereafter.

The details of amount payable on application and allotment are as under.

	Towards Share Capital (Rs.)	Towards Share Premium (Rs.)	Total Amount payable (Rs.)
On Application	5.00	2.00	4,99,80,000.00
On Allotment	5.00	2.00	4,99,80,000.00
Total	10.00	4.00	9,99,60,000.00

In case of allotment of shares, any excess amount paid on application shall be adjusted towards the amount due on allotment and the balance amount, if any, will be refunded by the Company to the applicant(s).

INTEREST IN CASE OF DELAY ON ALLOTMENT/DESPATCH

- a) The Company agrees that, as far as possible, allotment of securities offered to the public shall be made within 30 days of the closure of this Issue.
- b) The Company agrees that it shall pay interest @ 15% per annum if the allotment has not been made and/or the allotment letter/refund orders have not been dispatched to the investors within 30 days after the date of the closure of the issue.

RANKING OF EQUITY SHARES

The Equity shares being offered shall be subject to the provisions of the Memorandum and Articles of Association and shall rank pari passu in all respect with the other existing shares of the company including rights in respect of dividend. The allottees will be entitled to dividend or any other corporate benefits (including dividend), if any declared by the Company after the date of allotment.

RIGHTS OF MEMBERS

- a) Right to receive dividend, if declared.
- b) Right to attend general meetings and exercise voting rights, unless prohibited by law.
- c) Right to vote either personally or by proxy.
- d) Right to receive offer for right shares and receive allotment of bonus shares.
- e) Right to receive surplus on liquidation.

NOMINATION

In terms of Section 109(A) of the Companies Act, 1956, nomination facility is available. The applicant may nominate any person by filing relevant details at the space provided for the purpose.

PROCEDURE FOR APPLICATION AND MODE OF PAYMENT

The Prospectus and Application Form (including the Abridged Prospectus) may be obtained from the Registered Office of BOL, the Lead Manager, the Registrars to the Issue, Brokers, Bankers to the Issue named herein and from such of their branches as are mentioned on the reverse of the Application Form.

INSTRUCTIONS FOR APPLICANTS

Applications may be made by:-

- a) Indian nationals resident in India who are majors, in single or joint names (not more than 3).
- b) Hindu Undivided Families in the individual name of the Karta.
- c) Companies, Corporate Bodies and Societies registered under the applicable law in India and authorised to invest in the shares.
- d) Indian Mutual Funds registered with SEBI, Indian Financial Institutions. Commercial Banks, Regional Rural Banks. Co-operative Banks may also apply subject to permission from RBI.
- e) Trusts registered under Societies Registration Act, 1860, or any other Trust law and are authorised under their constitution to hold and invest in shares.
- f) Non-Resident Indians (NRI), and Foreign Institutional Investors (FII's) subject to the applicable RBI guidelines and approvals, if any.

APPLICATION NOT TO BE MADE:

Applications in the name of minors, foreign nationals, Trusts not registered under the Societies Registration Act, 1860, or any other Trust laws, partnership firms or their nominees will be treated as invalid, except as above.

A. GENERAL INSTRUCTIONS

- 1. Applications must be made in the prescribed application form and completed in Full in BLOCK LETTERS in English as per the instructions contained herein and in the application form and are liable to be rejected if not so made.
- 2. The application for equity shares should be for a minimum of 200 Equity shares and in multiples of 100 shares thereafter. An applicant can make an application only for a maximum of equity shares that are offered to the public.
- 3. Thumb impressions and signatures other than in English/ Hindi or any other language specified in the 8th Schedule to the Constitution of India, must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under his/ her official seal.
- 4. Bank Account Details of Applicant: The name of the applicant's Bank, type of account and account number must be filled in the Application Form. This is required for the applicants' own safety and these details will be printed on the refund orders, if any. Applications without these details would be treated as incomplete and are liable to be rejected.
- 5. Applications under Power of Attorney: In case of applications under Power of Attorney or by Companies, Bodies Corporate, Societies registered under the applicable laws, trustees of trusts, Provident Funds, Superannuation Funds, Gratuity Funds a certified copy of the Power of Attorney or the relevant authority, as the case may be, must be lodged separately at the office of the Registrar to the Issue simultaneously with the submission of the application form, indicating the serial number of the application form and the name of the Bank and the branch office where the application is submitted.
- 6. PAN/ GIR Number: Where an application is for a total value of Rs. 50,000 or more, the applicant or in case of application in joint names, each of the applicants should mention his/ her/ their Permanent Account number (PAN) allotted under Income Tax Act, 1961 or where the same has

not been allotted, the GIR Number and the IT Circle/ Ward/ District should be mentioned. In case where neither the PAN nor the GIR Number has been allotted, or the applicant is not assessed to Income Tax, the appropriate box provided for the purpose in the application form must be ticked. Applications without this will be considered incomplete and are liable to be rejected.

7. Joint Applications in the case of individuals: Applications can be in single or joint names (not more than three). In the case of joint applications, all payments will be made out in favour of the first applicant. All communications will be addressed to the first named applicant whose name appears in the Application form at the address mentioned therein.
8. Applications may be made by Hindu Undivided Families (HUF) through the Karta of the (HUF) and will be treated at par with individual applications.
9. Multiple Applications: An applicant should submit only one application form (and not more than one) for the total number of equity shares applied for. Two or more applications in single or joint names will be deemed to be multiple applications if the sole and/ or first applicant is one and the same. In case of application by Mutual Funds, a separate application can be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications provided that the application made by the Asset Management Company/ Trustees/ Custodian clearly indicate their intention as to the scheme for which the application has been made. Separate applications for electronic and physical equity shares by the same applicant shall be considered as multiple applications. The Company reserves the right to accept or reject, in its absolute discretion, any or all-multiple applications.
10. Applications by NRIs/FIIs: There is no reservation and separate application form for NRIs/FIIs. NRIs/FIIs willing to invest in this issue should follow the relevant RBI Guidelines in this regard.
11. A separate single cheque/draft must accompany each application form.

Note:

12. Applicants are requested to write their names and application serial number on the reverse of the instruments by which the payments are being made to avoid misuse of instruments submitted along with the applications for Equity shares.
13. For further instructions, please read the Application Form carefully.

B. PAYMENT INSTRUCTIONS

1. Payment may be made by way of cash or cheque/ demand draft (money/postal orders will not be accepted) drawn on any Bank, including a co-operative Bank which is situated at and is a member or sub-member of the Banker's clearing-house located at the place where the application form is submitted, i.e. at designated collection centers.
2. Outstation cheques/demand drafts drawn on Banks not participating in the clearing process will not be accepted.
3. All cheques/ demand drafts accompanying the Application Form must be made payable to the bankers to the issue and marked "A/c BOL Public Issue" and crossed "A/C payee only".
4. The applications shall be made only by way of cash/ cheque/ demand draft. However, if the amount payable on application is Rs. 20,000 or more, such payment must be effected only by way of an account payee cheque/ or Bank draft in terms of section 269SS of the Income-Tax Act, 1961. Otherwise the applications may be rejected and application money shall be refunded without any interest.

FOR FURTHER INSTRUCTIONS REGARDING APPLICATIONS FOR THE EQUITY SHARES, INVESTORS ARE REQUESTED TO READ THE APPLICATION FORM CAREFULLY.

SUBMISSION OF COMPLETED APPLICATION FORMS

All applications duly completed and accompanied by cash/ cheques/ demand drafts shall be submitted at the branches of the Bankers to the issue (listed in the Application Form) before the closure of the Issue. Applications should NOT be sent to the Office of the Company, the Lead Manager to the Issue.

Application Forms along with Bank Drafts payable at Kolkata can also be sent by registered post with acknowledgement due to the **Registrar to the Issue** at address mentioned in the Prospectus / Application form, so that the same can be received before the closure of the subscription list. No separate receipts will be issued for the application money. However, the Bankers to the issue or their approved collecting branches receiving the duly completed application form will acknowledge receipt

of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each application form. Applications shall be deemed to have been received by the Company only when submitted to the Bankers to the issue at their designated branches or on receipt by the Registrar as detailed above and not otherwise. For further instructions, please read the application form carefully.

JOINT APPLICATION

An application may be made in single or joint names (not more than three) as mentioned elsewhere in the prospectus. In case of a joint application, refund pay order (if any) and dividend/warrants etc. will be made out in favour of the first applicant. All communication will be addressed to the applicant whose name appears first and will be dispatched to the first applicant's address stated in the Application Form.

MULTIPLE APPLICATIONS

An applicant should submit only one application (and not more than one) for the total number of equity shares required. Applications may be made in single or joint names (not more than three). Two or more applications, in single and or in joint names will be deemed to be multiple applications if the sole and or the first applicant is one and the same. However separate applications can be made in respect of each scheme of Indian Mutual Fund registered with SEBI and that such applications will not be treated as multiple application provided that the applications made by the AMC / TRUST / CUSTODIAN clearly indicate their intention as to each scheme concerned for which application has been made. The Board reserves the right to reject in its absolute discretion all or any multiple applications.

APPLICATION UNDER POWER OF ATTORNEY

In case of applications under power of attorney or by limited companies or bodies corporate or societies, the relevant power of attorney or the relevant resolution or authority to make the application, as the case may be, together with a certified true copy thereof along with a copy Memorandum and Articles of Association and / or bye-laws must be attached to the application form at the time of making the application or lodged for scrutiny separately indicating the serial number of the application form with the Registrars to the issue.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

The company reserve, in its own, absolute and uncontrolled discretion and without assigning any reason, the right to accept in whole or in part or reject any application. If an application is rejected in full, the entire application money received will be refunded to the applicant. If the application is rejected in part, excess of the application money received will be refunded to the applicant within 30 (thirty) days from the date of closure of the issue. No interest will be payable on the application money so refunded.

The subscription received in respect of public issue will be kept in separate bank account and the company will not have any access to the funds unless approval of the Designated Stock Exchange i.e. Calcutta Stock Exchange is obtained for the Basis of allotment and Listing approval from the stock exchange, where listing is proposed.

DESPATCH OF REFUND ORDERS

The Company shall ensure dispatch of Refund Orders of value up-to Rs.1,500/- under Certificate of Posting and those over Rs.1,500/- and Share Certificates by registered post only and that adequate funds for the purpose will be made available to the Registrars to the Issue.

INTEREST IN CASE OF DELAY IN DESPATCH OF ALLOTMENT LETTERS /REFUND ORDERS

The company agrees that as far as possible allotment of securities offered to public shall be made within 30 days of the closure of public issue. The company further agrees that it shall pay interest @15% per annum if the allotment letters/ refund orders have not been dispatched to the applicants within 30 days from the date of closure of the issue.

GENERAL

Applicants are advised that it is mandatory for them to indicate in the space provided in the application form, details regarding their Savings Bank / Current Account Numbers and the name of the branch of the Bank to which they want the proceeds of refund to be credited. Applications not containing such details are liable to be rejected. Where an application is for allotment of equity shares

for a total value of Rs.50,000/- or more i.e. the total number of securities applied for multiplied by the Issue price is Rs.50,000/- or more, the applicant or in the case of applicants in joint names, each of the applicants should mention his permanent account number allotted under the Income Tax Act, 1961 or where the same has not been allotted, the GIR number and the Income Tax Circle / Ward / District should be mentioned. In case where neither the permanent account number nor the GIR number has been allotted, the fact of non allotment should be mentioned in the application form. Application forms without this information will be considered incomplete and will be liable to be rejected. Having regard to Provision of Section 269SS of the Income Tax Act, 1961, the subscription against the equity shares application for an amount of Rs.20,000/- or more should not be effected in cash and must be offered only by an A/c. payee cheque / bank draft. In case payment is effected in contravention of the provisions, the application is liable to be rejected and application money will be refunded without interest. A separate cheque / bank draft must accompany each application form.

BASIS OF ALLOTMENT

In the event of the Public Issue being oversubscribed, the allotment will be on a proportionate basis subject to market lots as explained below:

1. A minimum 50% of the net Issue to the Indian public will be made available for the above proportionate allotments of securities in an issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
 - a) A minimum 50% of the net offer of securities to the public shall initially be made available for allotment to retail individual investors, as the case may be.
 - b) The balance net offer of securities to the public shall be made available for allotment to:
 - i) individual applicants other than retail individual investors, and;
 - ii) other investors including Corporate bodies/ institutions irrespective of the number of shares, debentures, etc. applied for.
 - c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allotment to applicants in the other category, if so required.
2. Applicants will be categorised according to the number of equity shares applied for.
3. The total number of equity shares to be allotted to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of shares applied for in that category (number of applications in the category multiplied by the number of Equity shares applied for) multiplied by the inverse of the over subscription ratio.
4. Number of equity shares to be allotted to the successful allottees will be arrived at on a proportionate basis i.e. total number of equity shares applied for by each applicant in that category multiplied by the inverse of the over subscription ratio.
5. In all the applications where the proportionate allotment works out to less than 100 equity shares per applicant in the allotment shall be made as follows:
 - i) Each successful applicant shall be allotted a minimum of 100 equity shares, and
 - ii) The successful applicants out of the total applicants of that category shall be determined by drawl of lots in such a manner that the total number of Equity shares allotted in that category is equal to the number of equity shares worked out as per (b) above.
6. If the proportionate allotment to an applicant works out to a number that is more than 100 but is not a multiple of 100 (which is the marketable lot) the number in excess of the multiple of 100 would be rounded off to the higher multiple of 100 if that number is 50 or higher. If that number is lower than 50, it would be rounded off to the lower multiple of 100. All applicants in such categories would be allotted equity shares arrived at after such rounding off. If the Equity Shares allocated on a proportionate basis to any category is more than the equity shares allotted to the applicants in the category, the balance available Equity shares for allotment shall be first adjusted against any other category where the allotted equity shares are not sufficient for proportionate allotment to the successful applicants in that category. The balance equity shares if any, remaining after such adjustment will be added to the category comprising of applicants applying for minimum number of equity shares.

The term 'Retail Individual Investor' means an investor who applies for securities of or for value of not more than Rs. 50,000/-.

DEPOSITORY OPTION TO INVESTORS

In terms of section 68B of the Companies Act, the equity shares in this offer shall be allotted only in dematerialized form. (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic modes)

The Company has entered into a Tripartite agreements dtd. 23.04.2001 with the National Depository Services Ltd and dtd. 30.03.2001 with Central Depository Services Ltd (CDSL) and Maheshwari Datamatics Ltd (Registrar and Transfer Agent) for dematerialisation of the Equity Shares of the company. The ISIN No. granted to the Equity Shares of the Company is INE052B01011

An Applicant has the option to seek allotment of shares in Electronic and /or Physical mode. **However Investors should note that trading in securities of the Company shall be in dematerialised form only.** However Application from any Investor without the following details of his or her depository account is liable to be rejected.

1. A applicant applying for equity shares must have at least one beneficiary account either of the depository participants of NSDL or CDSL prior to making the Application.
2. The applicant must necessarily fill in the details (including the beneficiary account number and depository participants identification number) appearing in the application form.
3. Equity shares allotted to applicant will be credited in electronic form directly to the beneficiary account (with the depository participant) of the applicant.
4. Names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the depository account of the Bidder(s).
5. If incomplete or incorrect details are given under the heading applicant depository account details in the application form it is liable to be rejected.
6. The applicant is responsible for the correctness of his or her demographic details given in the application form vis-à-vis those with his or her depository participant.
7. It may be noted that equity shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. All the Stock Exchanges where our equity shares are proposed to be listed are connected to NSDL and CDSL.
8. The trading of our equity shares would be in dematerialized form only for all investors.

UNDERTAKING BY THE ISSUER COMPANY

The Issuer Company accepts that:

- a) The complaints received in respect of the Issue shall be attended to by the issuer Company expeditiously and satisfactorily.
- b) All steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the securities are to be listed shall be taken within 7 working days of finalisation of basis of allotment.
- c) The funds required for dispatch of refund orders/allotment letters / certificates by registered post shall be made available to the Registrar to the Issue by the issuer company,
- d) No further issue of securities shall be made till the securities offered through this offer document are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.
- e) The certificates of the shares / refund orders to the Non-residents Indians shall be dispatched within specified time.

UTILISATION OF ISSUE PROCEEDS

The sum received in respect of the public issue will be kept in a separate Bank account and BOL will not have access to such funds unless allotment of shares has been made in consultation with the regional stock exchange and listing approval has been received from the stock exchanges where listing has been sought.

The Board of Directors of the Company certifies that

- i) all monies received out of this Issue to the Public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Act.
- ii) details of all monies utilized out of the Public Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in the Annual Report of BOL indicating the purpose for which such monies had been utilized; and
- iii) details of all unutilized monies out of the Public Issue, if any, referred to in sub-item
- iv) shall be disclosed under an appropriate separate head in the Annual Report of BOL indicating the form in which such unutilized monies have been invested.
- v) the utilization of monies received under Promoters contribution and from firm allotments and reservations shall be disclosed under an appropriate head in the balance sheet of the company indicating the purpose for which such monies have been utilized.
- vi) The details of all unutilized monies out of the funds received under promoters contribution and from firm allotments and reservations shall be disclosed under a separate head in the Balance sheet of the company indicating the form in which such unutilized monies have been invested.

TAX BENEFITS AVAILABLE

The Company has been advised by M/s. Price Waterhouse, the Auditors of the Company vide their letter dated December 17, 2004 that under the current provisions of Income Tax Act, 1961 and existing laws for the time being in force, the following benefits inter-alia will be applicable to the Company and the members. A shareholder is advised to consider in his own case the tax implications of an investment in the shares. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consider his / her own case the tax implications of an investments in the shares.

Tax benefits to the Company

1. Under the Income Tax Act, 1961

- In accordance with section 10(34), dividend income (referred to in section 115-O) declared, distributed or paid on or after April 1, 2003 on shares held by the Company will be exempt from tax.
- In accordance with section 10B, the Company will be entitled to deduction equal to 100% (90 % for Assessment Year 2003-04) of the profits derived from the newly established export oriented unit of the company for ten years from the date of establishment. No deduction shall be available under this section from the assessment year 2010-11 onwards.
- In accordance with section 32, the Company will be entitled to claim depreciation on tangible and intangible assets as specified.
- In accordance with section 33AB, the Company will be entitled to deduction equal to 40% of the profit and gains of business of growing and manufacturing tea in India or the sum deposited in a Tea Deposit account or with National Bank for Agriculture and Rural Development (NABARD) in accordance with the scheme approved by the Tea Board, which ever is lower.
- In accordance with section 35(1), the Company will be entitled to a deduction of the capital expenditure (other than on acquisition of land) and revenue expenditure incurred on scientific research related to the business carried on by the Company in the year in which such expenditure is incurred.
- Long term Capital gains on sale of securities listed transferred in a recognized stock exchange in India will be exempt from tax.
- In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the Company shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset.

- If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.
- If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.
- In accordance with section 54ED, capital gain arising on the transfer of a long-term capital asset being listed securities will be exempt from tax provided the whole of the capital gain is invested within a period of six months in equity shares forming part of an eligible issue of capital.
 - If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.
 - If the specified equity shares are sold or otherwise transferred within a period of one year from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified equity shares are transferred.

Tax benefits to the shareholders of the Company**1. Under the Income Tax Act, 1961**

- Resident Members
 - In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) on or after April 1, 2003 will be exempt from tax.
 - Shares of the Company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long term capital asset.
 - If the transfer is made in a recognized stock exchange in India:
The tax on capital gains on transfer of Shares held as Long Term Capital Assets in a recognized stock exchange in India shall be exempt from tax. The tax on short term capital gains on transfer of Shares held as Short Term Capital Assets in a recognized stock exchange in India shall be taxed at the rate of 10% (plus applicable surcharge and 2% Education Cess). Further in accordance with Sec 111A and Sec 10(38) Securities Transactions Tax shall be payable by the purchaser or the seller of the securities at the rate of 0.075% of the value of taxable securities transactions entered through a recognized stock exchange in India.
 - If the Transfer is not made in a recognized stock exchange in India:
In accordance with section 112, the tax on capital gains on transfer of listed shares (otherwise than through a recognized stock exchange of India) held as long term capital assets will be the lower of:
 - (a) 20 per cent (plus applicable surcharge and Education Cess) of the capital gains as computed after indexation of the cost, and
 - (b) 10 per cent (plus applicable surcharge and Education Cess) of the capital gains as computed without indexation. This lower rate of 10% will be applicable only after the shares of the Company are listed.
 - In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the Company shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested. If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.
 - In accordance with section 54ED, capital gain arising on the transfer of a long-term capital asset being listed securities will be exempt from tax provided the whole of the capital gain is invested within a period of six months in equity shares forming part of an eligible issue of capital. If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested. If the specified equity shares are sold or otherwise

transferred within a period of one year from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified equity shares are transferred.

- In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family-
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or
 - constructs another residential house within a period of three years after the date of transfer of the shares;
 and
 - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

- **Non-Resident Members**

- In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) on or after April 1, 2003 will be exempt from tax.
- If the transfer is made in a recognized stock exchange in India:
The tax on capital gains on transfer of Shares held as Long Term Capital Assets in a recognized stock exchange in India shall be exempt from tax. The tax on short term capital gains on transfer of Shares held as Short Term Capital Assets in a recognized stock exchange in India shall be tax at the rate of 10%(plus applicable surcharge and 2% Education Cess). Further in accordance with sec 111A and sec 10(38) Securities Transactions Tax shall be payable by the purchaser or the seller of the securities at the rate of 0.075% of the value of taxable securities transactions entered through a recognized stock exchange in India.
- If the Transfer is not made in a recognized stock exchange in India:
In accordance with section 112, the tax on capital gains on transfer of listed shares (otherwise than in a recognized stock exchange in India) and has acquired the shares otherwise than in Foreign Exchange held as long term capital assets will be the lower of:
 - (a) 20 per cent (plus applicable surcharge and Education Cess) of the capital gains as computed after indexation of the cost, and
 - (b) 10 per cent (plus applicable surcharge and Education Cess) of the capital gains as computed without indexation. This lower rate of 10% will be applicable only after the shares of the Company are listed
- In accordance with section 48, capital gains arising out of transfer of capital assets being shares in the Company shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment thereafter and sale of shares or debentures of an Indian company including the Company.

A non-resident will not be eligible for adopting the indexed cost of acquisition and the indexed cost of improvement for the purpose of computation of long-term capital gain on sale of shares.

- In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the Company shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested. If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.
- In accordance with section 54ED, capital gain arising on the transfer of a long-term capital asset being a listed security will be exempt from tax provided the whole of the capital gain is invested within a period of six months in equity shares forming part of an eligible issue of capital. If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested. If the specified equity shares are sold or otherwise transferred within a period of one year from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified equity shares are transferred.
- In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family-
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or
 - constructs another residential house within a period of three years after the date of transfer of the shares.and
 - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

- **Non-Resident Indians**

Non-Resident Indian has the option to be governed by the provisions of Chapter XII-A of the Income-tax Act, according to which:

- Long Term Capital Gains on sale of securities transferred in a recognized stock exchange in India will be exempt from tax.
- In accordance with section 115E, income from long-term capital gains on transfer of shares of the Company acquired out of convertible foreign exchange shall be taxed at the rate of 10% (plus applicable surcharge and Education Cess).
- In accordance with section 48, capital gains arising out of transfer of capital assets being shares in the Company shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer of the capital assets into the same foreign currency as was initially utilised in the purchase of shares and the capital gains computed in such foreign currency shall be

- reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment thereafter and sale of shares or debentures of an Indian company including the Company. A non-resident Indian will not be eligible for adopting the indexed cost of acquisition and the indexed cost of improvement for the purpose of computation of long-term capital gain on sale of shares.
- In accordance with section 115F, subject to the conditions and to the extent specified therein, long-term capital gains arising from transfer of shares of the Company acquired out of convertible foreign exchange shall be exempt from capital gains tax if the net consideration is invested within six months of the date of transfer in any specified asset.
 - In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the Company acquired out of convertible foreign exchange or long-term capital gains earned on transfer of shares of the Company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Income-tax Act.
 - In accordance with section 115-I, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year. The option of not to be governed by the provisions of Chapter XII-A under section 115-I can only be exercised by a Non-Resident Indian by filing a return of income, in which case he shall be assessed in accordance with the other provisions of the Act.
 - Foreign Institutional Investors (FIIs)
 - In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) on or after April 1, 2003 will be exempt from tax in the hands of Foreign Institutional Investors (FIIs).
 - Long Term Capital Gains on sale of securities transferred in a recognized stock exchange in India will be exempt from tax.
 - In accordance with section 115AD, FIIs will be taxed at 10% (plus applicable surcharge and 2% Education Cess) on long-term capital gains and at 30% (plus applicable surcharge and 2% Education Cess) on short-term capital gains arising on the sale of the shares of the Company.
 - In accordance with section 54ED, capital gain arising on the transfer of a long-term capital asset being a listed security will be exempt from tax provided the whole of the capital gain is invested within a period of six months in equity shares forming part of an eligible issue of capital. If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested. If the specified equity shares are sold or otherwise transferred within a period of one year from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified equity shares are transferred.
 - Mutual Funds
 - In accordance with section 10(23D), any income of:
 - (i) a Mutual Fund registered under the Securities and Exchange Board of India Act 1992 or regulations made thereunder;
 - (ii) such other Mutual Fund set up by a public sector bank or a public financial institution or authorised by the Reserve Bank of India subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf will be exempt from income-tax.
 - Venture Capital Companies / Funds
 - In accordance with Section 10 (23FB), all Venture Capital Companies / Funds registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including income from dividend.

2. Under the Wealth Tax Act, 1957

'Asset' as defined under section 2(ea) of the Wealth-tax Act, 1957 does not include shares in companies and hence, these are not liable to wealth tax.

3. Under the Gift Tax Act, 1957

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift-tax.

Notes

- All the above benefits are as per the current tax law as amended by the Finance (No 2) Act, 2004 and will be available only to the sole / first named holder in case the shares are held by joint holders
- In respect of non-residents and FII's, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
- In view of the individual nature of tax consequences, each investor is advised to consult his / her own tax advisor with respect to specific tax consequences of his / her participation in the scheme.

IV. PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The present offer of Equity Shares is being made to fund the expansion activities of the Company and to meet issue expenses. The Main Objects clause of the Memorandum of Association of the Company enables the Company to undertake the activities for which the funds are being raised and also for the activities which the Company has been carrying on till date.

PROJECT COST

	Rs.
Tea Project Cost	12,31,00,000
Issue Expenses	49,90,000
Contingencies	18,70,000
TOTAL PROJECT COST	12,99,60,000

TEA PROJECT COST

	Rs.	Rs.
PHASE - I		5,79,00,000
CTC TEA FACTORY		2,37,15,000
Construction Work	70,00,000	
Plant & Machinery	1,60,90,000	
Vehicle	6,25,000	
ORTHODOX TEA FACTORY		3,41,85,000
Construction Work	1,05,00,000	
Plant & Machinery	2,30,60,000	
Vehicle	6,25,000	
PHASE - II		6,52,00,000
CTC TEA FACTORY		2,68,82,700
Construction Work	87,01,000	
Plant & Machinery	1,81,81,700	
ORTHODOX TEA FACTORY		3,83,17,300
Construction Work	1,22,60,500	
Plant & Machinery	2,60,56,800	

MEANS OF FINANCE

Sl. No.	Particulars	Rs.
1	Public Issue of Equity Shares	9,99,60,000
2	Term Loan	3,00,00,000
	Total	12,99,60,000

Notes:

- The Company confirms that firm arrangement of finance through Term Loan has been made from State Bank of India, Overseas Branch, Kolkata vide its sanction letter no. OBK/CW/BOL/298 dated 12th October 2004.

- b) Any shortfalls in meeting project cost will be met through further internal accruals.
- c) No part of the issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associates or group companies.
- d) Pending utilization the proceeds will be invested in Bank Deposits and/or Gilt Edged Government Securities, either directly or through Government Security based funds.

Proposed deployment of funds in the project

The year-wise breakup of proposed deployment of funds is mentioned below: (Rs. in lacs)

Particulars	FY 2004-05		FY 2005-06				FY 2006-07			Total
	Oct – Dec	Jan– Mar	Apr – June	July– Sept	Oct – Dec	Jan– Mar	Apr – June	July– Sept	Oct– Dec	
CTC	8.00	50.00	55.00	100.00	24.15	60.00	65.00	118.00	25.83	505.98
Orthodox	8.00	60.00	92.00	141.00	40.85	73.00	100.00	140.00	70.17	725.02
Others	3.00	42.00	8.00	4.00	4.00	Nil	Nil	4.00	3.60	68.60
Total	19.00	152.00	155.00	245.00	69.00	133.00	165.00	262.00	99.60	1299.60

Out of the proceeds of public issue of Rs. 999.60 lacs an amount of Rs. 931.00 lacs is proposed to utilized for Tea Project. The investment made upto 15th December, 2004 in the projects is Rs.7.00 lacs of Term Loan from SBI.

The principal terms of Term Loans sanctioned by State Bank of India, Overseas Branch, Kolkata is as follows:

Date sanctioned	October 12, 2004
Amount sanctioned	Rs. 300.00 lacs
Outstanding Amount as on 17.12.2004	Rs. 7.00 lacs
Rate of Interest	10.25% payable at monthly rests
Repayment Schedules	16 equal quarterly of Rs. 18.75 lacs each after one year moratorium from the date of first disbursement. The first installment will commence not later than December '05 and last September '09.
Security	Primary: Charge on Building, Plant and Machinery and Other Fixed Assets created out of the Term Loan to the extent of Project Costs of Rs. 500 lacs. Collateral: Equitable mortgage of Land (Freehold – 46.95 acres with plantation about 40 acres), Building, hypothecation of Plant and Machinery at Ooty.

V. COMPANY, MANAGEMENT AND PROJECT:

Beeyu Overseas Limited (BOL), promoted by Mr. B. P. Singh was incorporated on 4th March 1993 under the Companies Act, 1956, in the State of West Bengal, with the objective of exporting Indian products such as Tea, Coffee and Machinery. The Company is managed by a Board of Directors who are professionals of eminence from the fields of Tea, Food Processing, Finance and Banking.

Corporate Milestones:

1994	:	The Company sets-up its own overseas office in the business hub of Moscow, Russia. Mr. Ravi Singh, Vice-Chairman is permanently stationed in Moscow to oversee marketing and sales in Russia and CIS countries.
1995	:	To further expand its operations, the Company sets up its second overseas office in Leningrad (St. Petersburg).
1996	:	In order to support its overseas activity and for the purchase of tea, coffee and other agro-based products in South India, an office was set up in Cochin.
1998	:	With the overseas tea operations expanding, the Company sets up its own state-of-art Tea Blending and Packing unit, the first of its type in South India in Coimbatore.
1999	:	The Company acquired a plantation unit in the Nilgiris situated at Doddabetta at an altitude of 7800 ft.
2000	:	The first manufacturing unit, a 1200 tpa CTC factory is set up at Nilgiri at an elevation of 7800 ft.

2001	:	Production at CTC factory commences on 15 th January, 2001. The Corporate Head Office of Beeyu is constructed at up-market Ballygunge Circular Road, in Calcutta to serve as the nerve centre and to oversee the international and domestic operations.
2002	:	To achieve economies of scale, the blending unit, hitherto situated in Coimbatore, is shifted to the plantation at Doddabetta with major up-gradation.
2003	:	To cater to the increasing overseas demands in Russia and CIS countries and opening up of other markets, the Company sets up a state-of-art orthodox tea manufacturing unit in the existing Estate at Doddabetta with an installed capacity of 1800 tpa. Commercial production starts on 12 th August, 2003. To emphasize its commitment to management quality, the Company gets its processes ISO 9000:2001 from DET NORSKE VERITAS.
2004	:	With firming up of the domestic tea market and the future prospects looking even brighter, the Company de-bonds the CTC EOU unit and enters the domestic bulk tea market in a major way. To ensure consistent supply of quality green leaf, the Company has adopted a village in the Doddabetta region which produces quality green leaf. To exploit the growing demands for tea in the international and domestic market, the Company embarks on a major expansion program for setting up additional CTC and Orthodox tea production facilities

Future Plans:

2005	:	The first phase of the Company's expansion program involving one CTC and one Orthodox tea factory will become operational doubling the total manufacturing facility from 3,000 tpa to 6,000 tpa.
2006	:	The second phase of the Company's expansion program involving another CTC and Orthodox tea factory will be commissioned increasing the total manufacturing facility to 9,000 tpa.

MAIN OBJECTS OF THE COMPANY:

The main objects of the Company as set out in the Memorandum and Articles of Association of the Company are as follows:

- a. To act as liaison officer, representatives in any capacity, consignees, commission agent, arhatiyas, middleman, brokers, factors or contract agents for any government, government body, statutory body, body corporate, firm, individuals or any other entity, legal or otherwise whether in India or outside.
- b. To export and import whether as principal agent, representative or otherwise any goods, article, commodity, machinery, agricultural produce item, document, service, technical know-how, patent, software or the like.
- c. To grow, raise, tend, cultivate tea, coffee, cinchona, rubber and other produce and to establish, acquire, maintain and carry on the business of planters, cultivators, manufacturers, producers, growers, processors, re-processors, sellers, retailers, whole-sellers, suppliers, indenters, packers, movers, preservers, stockists, agents, sub-agents, merchants, consignors, jobbers, brokers, concessionaries and dealers in and with all kinds of tea, tea seeds, tea leaves, tea plants, coffee, coffee beans, coffee plants, coffee seeds, chinchona, rubber, vegetable, oil seeds, cotton sugar, jute, vegetable oil, edible oil, minerals, petrol chemicals and other produce of the soil in all or any of its branches to prepare, manufacture and render marketable any such produce and to sell, export, dispose off and deal in any such produce either, in its prepared, manufactured or raw state and to manufacture and sell tea boxes, seed boxes, tea machineries and spare parts, insecticides, germicides, fungicides, pesticides, general stores, tractors, trailers, powertillers, irrigation equipments all kinds of farm and agricultural machinery, implements and other articles in connection with the cultivation, manufacture, packing and sale of tea, coffee and other produce of the soil.

PRESENT PROMOTERS AND THEIR BACKGROUND:

The Company has been promoted by Mr. Birendra Pratap Singh.



Mr. B. P. Singh aged 66 years (PAN No. ALVPS2559, Passport No.Z021975) is an M.Com, LLB,. After a teaching stint at the Economics Department of Patna University, he worked in various capacities in large corporates for more than a decade acquiring rich experience in Administration & Marketing.

COMPANIES UNDER THE SAME MANAGEMENT UNDER SECTION 370(1B) OF THE COMPANIES ACT, 1956.

There are no other listed companies under the same management within the meaning of section 370 (1 B) of the Companies Act, 1956.

BOARD OF DIRECTORS:

Sl. No.	Name, Age & Designation	Address	Qualification	Other Directorship
1.	Birendra Pratap Singh 66 years Chairman & Managing Director	1F, Meghdoot, 12, Rowland Road Kolkata-700020	M.Com, L.L.B	Nil
2.	Ravi Singh 36 years Vice Chairman	Ashray Appt. 12 Sunny Park Kolkata-700019	MBA	Nil
3.	Ms. Rajinie Singh 38 years Dy Managing Director	1F, Meghdoot, 12, Rowland Road Kolkata-700020	MBA	Nil
4.	Mr. Firoze Jal Kapadia 54 years Director Finance	45 Wellesley St. Suite No. 8 Kolkata – 700 016	F.C.A.	Nil
5.	Ms. Usha Singh, 58 years Director	1F, Meghdoot, 12, Rowland Road Kolkata-700020	-	Nil
6.	Dr. R. Srinivasan 73 years Director	C-6-1 Lloyds Garden, Appa Saheb Marathe Marg Prabhadevi Mumbai-400025	CAIIB, Ph.D, FIIBF	Graphite (I) Ltd Elder Pharmaceuticals Ltd Goldiam International Ltd Eveready Inds India Ltd JM Financial Asset Management (P) Ltd Hitech Pharamaceuticals (P) Ltd Storeperform Tech. India (P) Ltd
7.	Ms. Lila Poonawalla 59 years Director	S 37 MIDC Bhasari Pune 411 026	Mech. Engineer	Nellsoft Ltd Seacom Solutions (I) Ltd
8.	Harish Parekh 67 years Director	3A Navin Appartments 29 Ballygunge Park Kolkata-700019	B.Com (Hons)	The Methony Tea Co. Ltd The Jutlibari Tea Co. Ltd Gujarat Tea Processors & Packers Ltd Rossel Tea Ltd Trans Global Projects (I) Ltd The Moran Tea Co.(I) Ltd
9.	Arabinda Bose 53 years Director	CL-255, Sector –II Salt Lake City Kolkata-700091	B.Com	Nil
10.	Sharat Kumar Jain 71 years Director	2A Mandeville Gardens Kolkata-700019	FCA	Nil

11.	Sajjan Bagaria 60 years Director	8 Pretoria Street Kolkata-700071	B.Com	T & I Projects Ltd T & I Planatations Ltd T & I Ltd T & I Global Ltd T & I Engineers Ltd
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Details of Directors:

Mr. Ravi Singh, Vice-Chairman of the Company holds a Bachelor's Degree in Commerce and MBA from Russian Management System is based in Moscow. Mr. Ravi Singh is in charge of the entire export business of Russia and CIS countries.

Ms. Rajinie Singh, Deputy Managing Director of the Company is a MBA from Australia and had worked in multinational companies for more than a decade gaining rich experience. Ms. Singh has vast experience in tea business, particularly exports from South India. Ms. Singh is stationed in Cochin and oversees the South Indian operations of the Company.

Mr. Firoze Jal Kapadia, Director Finance of the Company is by profession a Chartered Accountant. Mr. Kapadia has served in senior management positions in multi-national corporations. Mr. Kapadia is in charge of Finance and all ongoing projects.

Dr. R. Srinivasan, Director of the Company is an eminent Banker. He was Chairman and Managing Director of Bank of India, Allahabad Bank and New Bank of India. He is presently the Chairman of the Audit Committee of the Company.

Ms. Lila Poonawalla, Mechanical Engineer, Director is past Chairperson of Alfa Laval India Ltd. & Tetra Pak India Ltd. Ms. Poonawalla was awarded the Padmashree by the Government of India. His Majesty, the King of Sweden conferred the Royal Order of the Polar Star naming her as an Officer of this Royal Order for her valuable services to Sweden. She is also the Chairperson Emeritus of Quality Circle Forum of India – Maharashtra Chapter, actively involved in the Quality Circle Movement. Her efforts have helped, in a long way, in completion of building of world-class "Quality Circles Excellence Centre"(QCEC) in Pune.

Mr. Harish Parekh, Director of the Company. He is an Ex-Chairman of J. Thomas & Co. Ltd.

Mr. Arabinda Bose, Director of the Company. Mr. Bose had served in senior management positions in reputed Tea companies and has vast experience in the Tea industry.

Mr. Sharat Kumar Jain, practicing Chartered Accountant Director has extensive experience in Finance, Accounts and Tax matters.

Mr. Sajjan Bagaria, Director of the company is an eminent industrialist from Calcutta with vast experience in Tea and Tea Machineries.

i. MANAGEMENT:

The overall management of the company is vested with the Board of Director and the day to day affairs of the company are managed by Shri. B.P.Singh, Chairman & Managing Director.

The management of the Company is assisted by a team of qualified and experienced personnel:

Sl. No	Name & Address	Designation	Qualification	Date of joining	Experience
1.	Sudhir Kr Kothari 10/1, Deodar St. Kolkata – 700 019	Vice-President Finance	ACA, ACS	01.12.2002	17 years in senior management positions in various industries.
2.	Charan Hegde Jyoti Mahal Polali Post 574284 Mangalore South Kanara, Karnataka	General Manager	B.Com	17.07.2003	19 years as plantation manager at various tea and coffee plantations and manager of CTC Tea Factories.

3.	Nitai Banerjee 54/1 BBC Road Extension Kolkata – 700 038	Asst. General Manager - Exports	B.Com	01.06.2002	34 years in procurement and export of tea in various tea companies.
4.	R. Chattopadhyay 10B/2, Netaji Subhas Road, Uttarpara 712258	Company Secretary	ACS	28.01.2002	9 years in management positions in various companies including 4 years as Company Secretary
5.	Pramod Dangaich 8/14 N.P.Lane Kolkata-700031	Manager Accounts & Finance	ACA	01.12.2000	4 years as Accountant in Beeyu Overseas Ltd
6.	Shouvik Ray 42/21F, B.C.Street Kolkata – 700 034	Manager Exports	MBA	11.03.2002	10 years in various exports companies.
7.	Poonam Agarwal 105/1 Bidhan Nagar Road Kolkata-700067	Asst. Manager Accounts	ACA	19.07.2004	2 years post-qualification experience

EMPLOYEE TURNOVER RATIO:

The company has experienced an average employee turnover rate of 2.50% over the last two years.

CHANGES IN KEY MANAGERIAL PERSONNEL;

The following Key managerial personal have left the organization over last one year:

Mr. A. R. Basu, resigned from the office of Managing Director of the Company and also as Director of the Company w.e.f. 31.07.2004.

BRIEF DETAILS ABOUT THE PROJECT

In order to meet the increase in demand for Orthodox and CTC Tea in the Export Market, to spread its marketing wings and seize the opportunities in the Domestic Market, it is felt to increase the existing Production capacity and therefore the proposed project is being envisaged.

Location

The Company owns 48.15 acres of Land at Ooty Rural, Doddabetta Panchayat, in the Nilgiris District. The existing 3 factories viz. CTC, Orthodox and Blending are located in the above estate. The proposed new factories will also be set up in the existing estate.

Land & Building

As already stated above the new factories will be set up in the existing estate of the Company.

The Company has applied to the local authorities for all the necessary permissions for construction of the Factory Building and does not envisage any difficulty in obtaining the same. The details of contracts awarded for Factory Building construction is as under :-

Sl. No.	Particulars	Name of Party	Amount (Rs. in lacs)	Expected date of completion
1.	Phase - I CTC and Orthodox Factory Construction of Factory Building, Water Tank, Withering Shed and Withering Trough	M/s. Rajadurai Constructions Private Limited	1,75,00,000	30-06-2005
2.	Phase – II CTC and Orthodox Factory Construction of Factory Building, Water Tank, Withering Shed and Withering Trough	M/s. Rajadurai Constructions Private Limited	2,09,61,500	30-06-2006

Note: 1. All above figures are inclusive of Sales Tax and other levies.

Plant & Machinery

Plant and Machinery will be procured from manufacturers and suppliers who are registered with the Tea Board. Orders will be placed on the basis of rates, quality and supply schedule. The Expected cost will be as under:

(Rs.)			
Ooty Tea Factory Project - PHASE I	CTC	ORTHODOX	Total
Plant & Machineries			
Withering Trough (20 lane)	24,00,000	30,00,000	5,400,000
Monorail Conveyor for Green Leaf	1,80,000	2,40,000	4,20,000
Rotorvane	2,00,000	3,20,000	5,20,000
4 Cut Kaizen 52" CTC	35,00,000	-	35,00,000
Rollers (8 nos. - 46" dia rollers)	-	50,00,000	50,00,000
Googie Sifter	1,40,000	1,80,000	3,20,000
Overhead Conveyor for Fermented Dhool	1,20,000	2,80,000	4,00,000
Table top Fermenting	2,50,000	5,00,000	7,50,000
Drier	25,00,000	40,00,000	69,00,000
Sorting Machine	6,00,000	12,00,000	18,00,000
Tea Stalk Separator	-	10,00,000	10,00,000
Cleaning Machine	1,50,000	2,40,000	3,90,000
Pulverisation	1,00,000	-	1,00,000
Bucket Elevator	1,00,000	1,40,000	2,40,000
Firewood Heater for Drier	18,00,000	18,00,000	36,00,000
Firewood Heater for Withering	10,00,000	15,00,000	25,00,000
Chimney	1,80,000	2,00,000	3,80,000
Milling Machine	7,00,000	-	7,00,000
Electrification	10,00,000	12,00,000	22,00,000
Generator	4,50,000	8,00,000	12,50,000
Contingencies / Others	3,70,000	5,10,000	8,80,000
Fabrication / Installation	3,50,000	4,50,000	8,00,000
Baby Boiler for Cleaning	-	1,00,000	1,00,000
Total	1,60,90,000	2,30,60,000	3,91,50,000
Vehicle Phase - I Eicher 10.75 Truck 2 nos	6,25,000	6,25,000	12,50,000
Plant & Machinery & Vehicle Phase - I	1,67,15,000	2,36,85,000	4,04,00,000
Ooty Tea Factory Project - PHASE II	CTC	ORTHODOX	Total
PLANT & MACHINERIES			
Withering Trough (20 lane)	27,12,000	33,90,000	61,02,000
Monorail Conveyor for Green Leaf	2,03,400	2,71,200	4,74,600
Rotorvane	2,26,000	3,61,600	5,87,600
4 Cut Kaizen 52" CTC	39,55,000	-	39,55,000
Rollers (8 nos. - 46" dia rollers)	-	56,50,000	56,50,000
Googie Sifter	1,58,200	2,03,400	3,61,600
Overhead Conveyor for Fermented Dhool	1,35,600	3,16,400	4,52,000
Table top Fermenting	2,82,500	5,65,000	8,47,500
Drier	28,25,000	49,72,000	77,97,000
Sorting Machine	6,78,000	13,56,000	20,34,000
Tea Stalk Separator	-	11,30,000	11,30,000
Cleaning Machine	1,69,500	2,71,200	4,40,700
Pulverisation	1,13,000	-	1,13,000
Bucket Elevator	1,13,000	1,58,200	2,71,200
Firewood Heater for Drier	20,34,000	20,34,000	40,68,000
Firewood Heater for Withering	11,30,000	16,95,000	28,25,000
Chimney	2,03,400	2,26,000	4,29,400
Milling Machine	7,91,000	-	7,91,000
Electrification	11,30,000	13,56,000	24,86,000
Generator	5,08,500	9,04,000	14,12,500
Contingencies / Others	4,18,100	5,75,300	9,93,400
Fabrication / Installation	3,95,500	5,08,500	9,04,000
Baby Boiler for Cleaning	-	1,13,000	1,13,000
Total	1,81,81,700	2,60,56,800	4,42,38,500



The order value for Plant & Machinery for Phase I is expected to be Rs. 391.50 lacs and for Phase II is expected to be Rs. 442.39 lacs. The above cost is based on the current cost of Plant and Machineries. In case of increase, the same will be met through internal accruals.

Notes:

- a) All suppliers and contractors related to purchase of Plant and Machineries, Electrical Installation and Civil Structure and other accessories are in no way related / connected to the Promoters / Directors of the Company.
- b) The Company is yet to place firm orders with the suppliers. Firm order has been placed only on the Civil Contractors.
- c) The Company intends to place orders for Plant & Machineries and other accessories after the issue is completed except for 1 no. heater, for which has been placed.

SCHEDULE OF IMPLEMENTATION

SI No	Particulars	PHASE I Expected date of		PHASE II Expected date of	
		Commencement	Completion	Commencement	Completion
1	Civil Work	30-11-2004	30-06-2005	15-10-2005	30-06-2006
2	Orders for Plant & Machinery*	30-11-2004	30-06-2005	31-01-2006	30-06-2006
3	Delivery of Plant & Machinery	15-06-2005	31-08-2005	15-06-2006	31-08-2006
4	Installation of Plant & Machinery	15-07-2005	31-08-2005	15-07-2006	31-08-2006
5	Trial Runs	September '05		September '06	
6	Commercial Production	October '05		October '06	

CAPACITY

The Plant capacity will be as follows: (tons per annum)

	CTC	ORTHODOX	TOTAL
Phase I	1,500	1,500	3,000
Phase II	1,500	1,500	3,000
TOTAL	3,000	3,000	6,000

PRODUCT DESCRIPTION

The Company proposes to manufacture CTC and ORTHODOX tea.

MANUFACTURING PROCESS

The fundamental process in Black Tea manufacturing is that of enzymic fermentation of certain organic compounds in the leaf. The various stage of tea manufacturing may be briefly described as follows:

CTC

a. Withering

This is the process by which tea leaf is induced to loose moisture substantially. Normally this is carried out by spreading leaves thinly on trays through which warm air is circulated by fans. The average length of withering depends on the quality of the leaf peculiar to the region.

b. Crushing Tearing Curling (CTC)

When a satisfactory withering has been obtained the leaf is ready for rolling, which twists the leaf, breaks it up and expresses the juices.

The CTC process of rolling is a comparatively rigorous one for the leaf, which is forced through a machine having two steel cylinders. The cylinders move in inverse direction at a speed of 700 RPM and 70 RPM with marginal clearance between them. The leaf as it passes consecutively through a bank of three to five such machines gets much reduced in size and its cell get ruptured for accelerated as well as intensive fermentation. The whole process leaves the leaf granulated and blackish brown in colour. It gives a much better thicker liquor and yields more cups of tea per kg of leaf as compared to the Orthodox type of tea.

c. Fermentation

Normally the tea ferments or oxidizes from 50 to 90 minutes depending upon the leaf quality and on climatic condition. Under South Indian condition ambient humidity is low and the presence of dry air can retard fermentation, hence cool humid condition are essential to enable larger retention time to produce blacker, grainy and heavier teas.

d. Drying

The next process is known as Drying. The objectives of drying is to i) arrest fermentation and ii) remove moisture and produce teas with good qualities. The mass of leaf is exposed to hot air when it passes through a chamber with perforated moving trays. The temperature of the air blowing through the chamber is maintained at temperatures between 100 to 130 degrees centigrade as its base range. It takes 15 minutes to half an hour to dry the leaf, when the enzymes are fully activated. After completion of the drying process the tea becomes fully black in colour.

e. Sorting and Grading

Sorting is the operation in which tea particles of the bulk are separated into various grades of different sizes and forms conforming to trade requirements. The process of sorting has two objectives i) to enhance the value and ii) to impart quality. The basic sorting procedure follows a set pattern:-

- a) While the tea is still relatively warm, the tea is first passed through the minimum of four slow speed electrostatic fiber extractor to clean it of floating fiber. Over large pellets and flat pieces of caked tea are removed at the same time and kept aside for grinding and reconditioning.
- b) The next stage is to divide the bulk tea into grades by passing through the meshes of 24, 20, 16, 10 and 6 to get the grades. The grades generally produced are named as follows: Broken Orange Pekoe (BOP), Broken Pekoe (BP), Orange Pekoe (OP), Pekoe (PEK), Flowery Pekoe (FP), Broken Orange Pekoe Fanning (BOPF), Fanning and Dust. The grade specifications are entirely artificial though not completely arbitrary.

After sorting and grading the tea has to undergo a further cleaning process, which is necessary for removing any stalks, fibrous residues and other foreign matter, which is separated out. Winnowing in some form or other is a routine practice and according to the size and density of the particles this separates the fanning and dust. It also carries away the fibrous residue and tea fluff, which is of no commercial value as a grade.

f. Storage and Packaging

Tea is a markedly hygroscopic material and while cooling and sorting it absorbs moisture. Before packing tea the accumulated series of daily batches of each grades are bulked and mixed to obtain the highest possible degree of unity. Before packing tea is passed under powerful magnets to prevents possible pieces of iron mixing with the tea. Packing is the process of preserving the product using the cheapest but most appropriate material taking into account the product properties and the specific needs of the end user.

ORTHODOX

a. Withering

The withering for Orthodox is much harder than that of CTC. In orthodox withering upto 54% of the moisture is allowed to evaporate. For this more use of warm air is required.

b. Rolling

In case of Orthodox tea the withered tea leaf is rolled on Tea Rollers. A tea roller consists of three parts – the table, the box or jacket and the cap used for applying pressure. The existing roller in the Company's Orthodox unit is imported from Sri Lanka to give the best rolling and quality tea. During rolling, the leaf heats up considerably, especially with a heavy charge. Some

- of the rise in temperature is due to the heat of fermentation, evolved by the chemical changes taking place in the leaf juices and this is greatest during the first hour or so, after which it tails off. After rolling the leaf is taken out and transported to the Googie to separate the first fines. The fines that passed over the Googie are taken straight for fermentation. The dhools that passes through the Googie is taken for second roller and for the third roll is required.
- c. Fermentation**
The Orthodox tea ferments or oxidizes from 150 minutes depending on the leaf quality and on climatic conditions. Given the cool humid condition of Ooty 150 minutes would be required.
- d. Drying**
The next process is known as Drying and is similar to the one as described in the CTC section. The only difference is that the temperature of the air blowing through the chamber is maintained at temperatures between 140 to 150 degrees centigrade as its base range, as firing at this temperature results in improved appearance and bloom.
- e. Sorting and Grading**
The process of sorting and grading is the same as described in the CTC section. In case of Orthodox sorting, the dried tea is passed through some additional machines to complete the sorting process. The grades generally produced in the case of Orthodox tea are named as follows: Golden Broken Orange Pekoe Souchong (GBOPS), Broken Orange Pekoe Dust (BOPD), Fanning Pekoe (FP), Fanning Broken Orange Pekoe (FBOP), Broken Orange Pekoe (BOP), Golden Broken Orange Pekoe (GBOP), Fanning and Dust. The grade specifications are entirely artificial though not completely arbitrary.
- f. Storage and Packaging**
The storage and packaging system is the same as described in the CTC section.

RAW MATERIALS

The main raw material is **Green leaf**. The Company has a small plantation area and will produce 10% of the required green leaf in its own plantation and the balance 90% will be purchased from estates in the nearby gardens, within a radius of 45 kms. As the factory is being set up in the tea growing belt and the local tea gardens have been selling its leaves to the Company for the last 4 years, the Company does not envisage any problem in sourcing the additional requirement of leaves.

To ensure better and consistent supply of Green Leaf, the Company has adopted a village – Thummanhutti, near the Ooty Factory with the help of Tea Board and UPASI. The village has over 2,000 hectares of clonal variety of tea bushes, very young and less than five years old, which were developed in close co-operation with Tea Board. Due the close proximity of the village, the Company will be producing quality CTC and Orthodox tea. The leaf available in this village is sufficient to produce 6,000 tons of tea per annum.

The company is using **Firewood** as fuel for firing tea in the driers and for providing hot air for withering of the green leaves. Firewood is available from the nearby areas of Nilgiris.

TECHNICAL COLLABORATIONS

The Promoters are associated with the tea industry for the last 35 years and are well experienced in this field. As such no technical collaboration is envisaged for this project.

MANPOWER

The existing man-power strength at the factory is 80 people working at various levels. The category-wise break-up of the requirement of manpower for the expansion project is as under:

Sl. No.	Position	PHASE I	PHASE II
1	Supervisory	6	6
2	Technical	1	1
3	Skilled	2	2
4	Unskilled	60	60
	Total	69	69

The Company shall recruit the necessary manpower as and when the implementation of the project progresses. Unskilled Labour is available from the nearby villages on daily wages basis. With the adoption of Thummanhutti village there is an assured source of young and good labour throughout the year. The Company is paying all benefits to the labourers as is being provided to its permanent workers.

EFFLUENTS

The process of manufacture does not generate any effluents. However, the Company has taken No-objection certificate (NOC) from the Pollution Control Authorities for its existing operations.

WATER

Tea processing does not require any water. However, requirement of water for other purposes is presently met from natural sources, nearby lake as well as water stored in well. In the proposed factory building provision is also made for water reservoir for storing rain water.

POWER

The Company is provided with 500 KVA of High Tension (HT) power by Tamil Nadu Electricity Board (TNEB) and the transformer is installed in the Factory premises. With the proposed factory the additional peak requirement will be 250 KVA of power for Phase I and another 250 KVA of power for Phase II. The Company will be applying for the additional demand with the TNEB and does not envisage any difficulty in obtaining the same. As a standby the company has got 3 standby Diesel Generators of 440 KW and for the proposed factory the Company has kept a provision for Generator in the project cost to meet its power requirements.

TRANSPORT

The factory is well connected by road to places like Conoor, Coimbatore, Chennai and Tuticorin port. The nearest airport is Coimbatore (60 kms) and the nearest railway station is Mettupalayam station (30kms) other than the Coimbatore Railway Station.

INDUSTRY SCENARIO - BUSINESS OUTLOOK AND INDUSTRY SCENARIO

(Source: Tea Market Annual Report and Statistics 2003 by J. Thomas & Company Private Limited, International Tea Committee (ITC) website and Business Telegraph)

2003 was a year that heralded many positive changes in the Indian Tea Industry, but stopped short of reversing the trend of declining prices witnessed in the Indian tea market for the last few years. The subsequent year i.e. the first half of 2004 wiped away the remaining shortcomings as is evident from the confidence the tea industry has aroused amongst the equity analysts and mutual funds. While equity analysts feel the industry is recovering and is the right time to invest in the tea sector, mutual funds have started injecting funds into the tea companies. A five-year setback in tea prices has eroded the profitability of most tea companies. Most of their Balance Sheets are characterized by low equity, high debt and high investments. Equity analysts and mutual funds trackers firmly believe the situation should change for the better for well-managed tea companies with firming up of tea prices.

Indian Tea production recorded an annual production of 857 m kgs during the year 2003 as compared to 826 m kgs of 2002, a gain of 31 m kgs. The all India auction average price per kg at Rs. 56.28 was marginally higher by Rs. 0.33. The all India auction average price per kg at Rs. 64.38 for the period January to September '04 was high by Rs. 7.87 as compared to the previous year period. Exports at 173 m kgs showed a decline of 20 m kgs as compared to 2002 but in terms of realization there is a gain of Rs. 4.97 from Rs. 89.60 in 2003 to Rs. 84.63 in 2002. For the period January to September 2004 total Exports on all India basis is 126.2 m kgs as compared to 112.3 m kgs for the corresponding previous year period resulting in a net gain of 13.9 m kgs. In terms of Export from South India the % increase is 51% from 48.5 m kgs during January to September '03 to 73.1 m kgs for corresponding period in the current year.

Price prospects for the year ahead looks promising. In view of the negligible carry forward of old season stocks in the auction centers, together with an increase in domestic consumption and the increase in exports to countries such as Pakistan, Iran and Iraq, the Indian tea market in 2005 will be more buoyant than that of 2004. The dark clouds that have hovered over the Indian Tea industry for the past few years have dissipated in 2004 and the 'feel good factor' enjoyed by other industries will permeate down to the Indian Tea Industry.

The Production of tea country-wise from 2000 to 2003 (Calendar year) is as under:- (in tonnes)

Country / Year	2000	2001	2002	2003
India	8,46,922	8,53,923	8,26,165	8,57,055
Sri Lanka	3,06,794	2,96,301	3,10,604	3,03,654
Indonesia	1,57,371	1,72,897	1,72,792	1,68,000
Bangladesh	52,639	57,341	52,863	56,833
China (Mainland)	6,83,324	7,01,699	7,45,374	7,68,140
Taiwan	20,349	19,837	20,345	-
Japan	89,309	89,809	84,200	87,000
Iran	44,233	59,000	53,000	58,051
Malaysia	5,642	5,413	5,500	-
Vietnam	70,000	80,000	84,000	93,000
Turkey	1,30,671	1,42,900	1,42,000	1,55,000
CIS	16,900	17,500	18,300	-
Kenya	2,36,286	2,94,632	2,87,044	2,93,667
Uganda	29,282	33,255	33,831	36,290
Tanzania	23,897	24,745	27,511	-
Malawi	42,114	36,770	39,185	41,693
Zimbabwe	22,489	22,382	22,544	-
Rest of Africa	46,934	52,566	52,237	-
Argentina	63,000	59,000	58,000	60,000
Brazil	7,000	7,000	7,200	-
Papua New Guinea	6,200	6,100	6,200	-
Others	13,064	13,265	13,770	-
GRAND TOTAL	29,14,420	30,46,333	30,62,665	-

- Denotes not available.

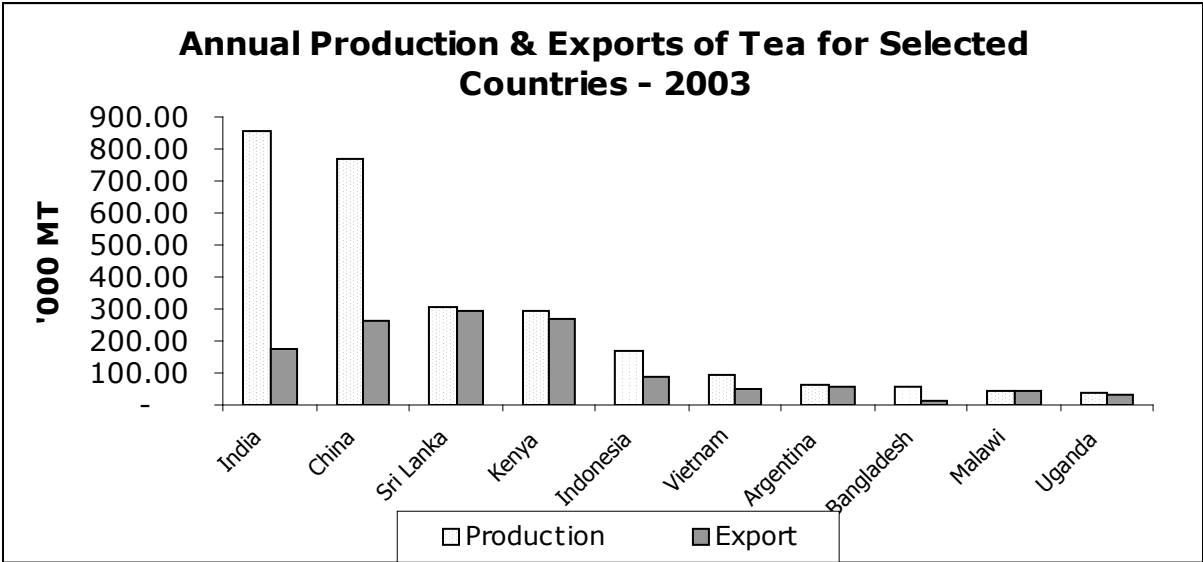
Destination wise Exports from India from January to December (Calendar year) is as under:-

(in tonnes)

Destination / Year	2000	2001	2002	2003
United Kingdom	20,933	16,102	20,912	19,930
Ireland	3,636	3,055	2,453	2,327
Netherlands	2,385	3,258	2,891	2,969
Germany	4,573	4,178	5,002	4,653
Rest of West Europe	517	892	489	529
Poland	12,527	8,269	7,205	5,770
Rest of Eastern Europe	111	231	458	491
CIS	95,022	82,210	62,709	58,305
Afghanistan	282	247	783	3,293
Iraq	10,866	16,864	44,165	12,689
Iran	3,437	2,829	1,227	1,583
Saudi Arabia	876	410	633	1,119
Persian Gulf Ports	1,116	1,148	1,746	1,072
U.A.E	22,128	23,349	26,436	24,851
Jordan	15	109	177	150
Rest of Middle East	2,926	897	1,181	294
Pakistan	3,336	3,306	3,695	6,431
Japan	3,655	2,080	2,373	2,773
Arab Republic of Egypt	931	313	500	135
Sudan	146	727	48	171
Tunisia	457	1,449	705	757
Rest of Africa	2,017	980	1,147	3,587
Canada	974	524	1,233	1,795
USA	7,469	6,180	7,361	8,587
Australia	676	757	869	3,972



Destination / Year	2000	2001	2002	2003
New Zealand	16	8	84	12
All Other Countries	5,786	2,216	4,520	4,856
GRAND TOTAL	2,06,816	1,82,588	2,01,002	1,73,101



MARKETING STRATEGY

Beeyu takes pride in its high-result marketing initiatives and strategies that have enabled the Company to reach out and establish stable and profitable client relationship with companies based in Russia, CIS countries, Ukraine, Kazakstan, Poland, Teheran, Dubai, Iran, Iraq and Pakistan. The Company is preferred on account of its quality, timely delivery and after sales service, all of which are a requirement for success in the Tea and Coffee Industry. Besides the export of Tea and Coffee, which is the Company’s core business, the Company is also exporting Wheat, Rice, Sesame Seeds, Edible Oils, Pulses and other Agro-based commodities. The Company is a registered Export House of the Government of India. The Company has a good marketing setup. It has its own office in Moscow, Lenin guard and Kazakstan. The Vice-Chairman of the Company is based in Moscow for the last 20 years and is in complete charge of the Export Market under the direct guidance of the Chairman/ Managing Director. The marketing executives get details of overseas buyers through the local embassies, internet, various trade associations and chambers of commerce and this is followed up with introductory letter and personal visit of the Vice Chairman. Besides the above, the marketing team attend the various international trade fairs related to Tea, Coffee and Agro based products where they come across new customers as well as meet existing clients. In addition to the direct marketing efforts, the Company has appointed agents in the overseas market who also channelise orders for the Company.

For its domestic operations the Company has its Branch offices in Cochin, Coimbatore, Coonoor besides its factory in Ooty and head office in Kolkata. The marketing set up in the above branches and head office works under the supervision of the Deputy Managing Director who in turn is guided by the Chairman/ Managing Director. The Marketing team attends the various Tea conventions held within the country. To have effective marketing the Company has appointed Agents for selling Tea in the domestic market.

Quality Systems and Certification

The Company attaches high priority to Quality Control / Quality Assurance. The Company’s products are subjected to the strictest quality control systems aided by the most analytical equipment. Each Tea batch after blending is tested in-house to meet stringent quality standards. Each shipment is accompanied with a Quality Assurance Certificate signed by the Chairman/ Managing Director.

The Company has obtained ISO 9001: 2000 certificate for all its operations from Det Norske Veritas (DNV) of The Netherlands.

FINANCIAL PERFORMANCE OF THE COMPANY FOR LAST FIVE YEARS:

The select data of Audited financial performance of the Company for the past five years and for the period ended 30th September, 2004 is as under: (Rs. in Lacs)

Particulars	Period ended 30.09.04	Year ended				
		31.03.04	31.03.03	31.03.02	31.03.01	31.03.00
INCOME						
1. Sales & Services	1,562.33	3,320.27	5,092.34	4,959.72	3,320.81	2,784.12
a.Of Products Manufactured	278.36	525.96	581.64	159.05	-	-
b.Of Products Traded	1,228.22	2,621.24	4,239.93	4,702.81	3,240.36	1,939.21
c. Commission & Services	55.75	135.25	192.94	144.51	291.36	247.94
2. Other Income	7.86	51.44	86.96	71.93	128.37	135.60
3. Increase/(Decrease) in Inventories	382.98	(13.62)	(9.13)	(118.58)	(330.18)	461.37
TOTAL INCOME	1,953.17	3,320.27	5,092.34	4,959.72	3,329.91	2,784.12
EXPENDITURE						
a.Materials (Raw Material / Finished Goods)	1,600.39	2,466.82	4,057.69	4,011.13	2,483.49	1,884.26
b.Staff Cost	41.39	91.92	91.29	83.64	42.87	44.22
c. Other Manufacturing Expenses	103.43	139.20	132.64	100.18	-	-
d.Administration Expenses	57.06	162.13	177.07	147.74	106.86	105.24
e.Selling and Distribution Expenses	45.89	168.85	236.28	299.55	354.94	319.73
TOTAL EXPENDITURE	1,848.16	3,028.92	4,694.97	4,642.24	2,988.16	2,353.45
PROFIT BEFORE INTEREST, DEPRECIATION AND TAX	105.01	291.35	397.37	317.48	341.75	430.67
a. Interest and Finance Charge	30.18	123.78	157.81	175.26	130.27	113.64
b. Depreciation	49.78	90.92	83.13	51.44	11.07	9.85
PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	25.05	76.65	156.43	90.78	200.41	307.18
Taxation	9.09	8.51	34.50	7.43	64.50	60.00
PROFIT BEFORE EXTRAORDINARY ITEMS	15.96	68.14	121.93	83.35	135.91	247.18
Extra Ordinary Items (net of Tax)	-	-	-	-	-	-
NET PROFIT AFTER EXTRAORDINARY ITEMS	15.96	68.14	121.93	83.35	135.91	247.18

STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lacs)

Particulars	Period ended 30.09.04	Year ended				
		As at March 31, 2004	As at March 31, 2003	As at March 31, 2002	As at March 31, 2001	As at March 31, 2000
1. Fixed Assets						
a. Gross Block	1,733.92	1,726.63	1,340.06	857.23	69.82	56.26
b. Less: Depreciation	(322.70)	(270.15)	(184.04)	(101.41)	(28.57)	(17.67)
c. Net Block	1,411.22	1,456.48	1,156.02	755.82	41.25	38.59
d. Capital Work-In-Progress	16.48	1.64	155.03	234.70	104.34	64.09
e. Less: Revaluation Reserve	(165.34)	(168.11)	(173.64)	-	-	-
Net Block after adjustment for Revaluation Reserve	1,262.36	1,290.01	1,137.41	990.52	145.59	102.68
2. Investments (Unquoted)	0.61	0.61	0.61	0.54	202.96	135.25
3. Current Assets, Loans and Advances						
a. Inventories	525.50	133.44	151.37	162.57	265.78	599.88
b. Sundry Debtors	331.67	139.57	486.21	285.31	260.26	128.38
c. Cash and Bank Balances	215.71	352.94	783.88	637.23	606.97	751.29
d. Loans and Advances	98.19	70.88	90.99	165.60	752.80	553.12
4. Total Current Assets, Loans and Advances	1,171.07	696.83	1,512.45	1,250.71	1,885.81	2,032.67
5. Current Liabilities and Provisions						
a. Liabilities	630.33	240.28	438.89	310.28	241.21	486.12
b. Provisions	-	79.22	66.02	42.56	242.00	177.50
c. Deferred Tax Liabilities	11.88	7.34	2.33	(2.84)	-	-
Total Current Liabilities and Provisions	642.21	326.84	507.24	350.00	483.21	663.62
Net Current Assets	528.86	369.99	1,005.21	900.71	1,402.60	1,369.05
6. Borrowing						
a. Secured Loans	606.09	494.26	952.85	794.24	803.46	706.42
b. Unsecured Loans	-	-	-	0.16	-	-
Total Borrowings	606.09	494.26	952.85	794.40	803.46	706.42
Net Worth / Net Assets	1,185.74	1,166.35	1,190.38	1,097.37	947.69	900.56
Represented by						
a. Share Capital	702.47	702.47	585.44	532.24	532.24	530.63
b. Reserves & Surplus	681.31	668.29	801.92	625.56	443.38	404.86
c. Less: Revaluation Reserves	(165.34)	(168.12)	(173.64)	-	-	-
d. Reserves (Net of Revaluation Reserves)	515.97	500.17	628.28	625.56	443.38	404.86
e. Deferred Government Grant	-	-	25.00	-	-	-
f. Less: Miscellaneous Expenditure (to the extent not written off)	(32.70)	(36.29)	(48.34)	(60.43)	(27.93)	(34.93)
Net Worth / Net Assets	1,185.74	1,166.35	1,190.38	1,097.37	947.69	900.56
ACCOUNTING RATIOS						
EPS (Rs.)	0.23	0.97	1.74	1.18	1.93	3.52
Return on Net Worth %	1.35	5.84	10.24	7.60	14.34	27.45
Net Asset Value (Rs.)	16.88	19.51	23.70	21.76	18.32	17.57

Stock Market Data

A. High & Low prices of the share of the company during April 2001 to March 2004

MONTH	HIGH	LOW	TRADED VOL.
April-01	11.00	10.00	6,625
May-01	10.00	9.40	24,725
June-01	10.00	8.10	19,250
July-01	10.50	5.10	15,310
August-01	10.30	9.60	36,800
September-01	10.30	9.00	21,060
October-01	10.40	6.90	18,610
November-01	10.00	5.50	9,000
December-01	10.15	4.60	17,608
January-02	9.50	6.95	5,100
February-02	10.00	8.00	1,100
March-02	10.00	9.40	210
April-02	9.60	9.50	6,500
May-02	9.70	9.00	36,500
June-02	10.00	8.50	23,574
July-02	11.40	9.50	23,700
August-02	11.40	10.30	27,360
September-02	11.50	10.75	21,520
October-02	11.00	10.50	24,290
November-02	10.95	10.50	1,100
December-02			
January-03	10.50	10.30	34,150
February-03	10.50	10.00	10,900
March-03	10.50	10.00	11,600
April-03	10.50	10.50	100
May-03	10.50	10.50	2
June-03			
July-03			
August-03	14.00	9.25	53,516
September-03	14.00	12.00	38,345
October-03	14.00	12.50	29,670
November-03	16.45	11.00	43,671
December-03	14.00	11.25	96,985
January-04	17.45	12.50	6,910
February-04	14.00	11.10	42,894
March-04	13.35	11.00	16,030

B. High & Low prices of the share of the company from April 2004 till November 2004

MONTH	HIGH	LOW	TRADED VOL.
April-04	13.25	10.50	16,612
May-04	12.05	12.00	3,100
June-04	12.50	10.50	4,368
July -04	12.45	12.00	1,184
August-04	12.80	12.50	74,466
September-04	14.00	11.50	10,305
October-04	23.00	12.00	46,667
November-04	23.00	16.95	65,550

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS:

a) Unusual or infrequent events or transactions

There has been no unusual or infrequent transactions that have taken place.

b) Significant Economic changes and Government Policies

Tea is one of the oldest industries in India. India is not only the largest producer, but also the largest consumer of tea. India was the leader in tea exports in the world and tea exports had been one of the major foreign exchange earner for the country. Tea still continues to occupy a prominent position in the Indian Economy, especially for the employment of large number of workers. Government has also awarded a price subsidy scheme for small tea growers in view of the low price realization for green leaf.

However, over the last few years, exports of tea have declined steadily and India has slid to the fourth position as exporter giving place to Sri Lanka, Kenya, China. Russia, which had been the major destination of Indian tea till late nineties, before it faced a severe competition from the Ceylonese tea. In the early '90s, Russia used to import 100 million kg of Indian tea. The exports dwindled to 60 million kg in the last few years. It is expected that export to Russia will witness a quantum leap in the current season and in the years to come.

Pakistan, a major importer of tea, is traditionally a CTC tea market. The country consumes nearly 140-150 million kgs of tea annually and imports tea mainly from Kenya and Sri Lanka. In 2003 India has exported 6.2 million kgs of tea and is a substantial increase from the previous years. Presently the industry feels that in 2004-05 there would be a quantum leap in exports to Pakistan. The total incidence of tax on imported tea from India, which was 52% has now come down to 28%. The tea industry hopes to sell more than 10 million kgs of tea to Pakistan in 2004.

Iran's tea market is pegged at 110-120 million kg annually. Of this, 50-55 million kg is produced locally, while the remaining portion is imported from countries like Sri Lanka and India. In the 1980's, Iran used to import 15-18 million kg of tea from India but pruned it to 5-6 million kg in the 90's. It has started import of Indian tea effective from 15th April 2004. The industry expects to export 10 million kg of tea to Iran in the current year. This will set up the production of Orthodox tea, which is known to be highly popular in the Iranian market.

The tea industry is also making a fresh move to enter the West Asian countries like Iran, Dubai and Egypt.

The Government of India, is seized of the problems of the Tea Industry and has commenced implementation of the recommendations of a study by consultants to review industry, particularly the recapture of the lost export markets. The slide to the fourth position in the tea export market is also attributable to higher cost of production. Incidentally, at \$ 1.62 per kg, the Indian cost of tea production is highest compared to its other Asian competitors. According to a study conducted by the Indian Tea Board, the cost of production of tea in Sri Lanka is at \$ 1.23, Kenya at \$ 1.16, Vietnam at \$ 0.96, Malaysia at \$ 0.84 while Indonesia is the cheapest at \$ 0.58. The Company has been able to maintain its export market mainly on account of effective cost management and having a state of art factory where overheads are quite low. The average cost of production of the last 3 years for the Company is Rs. 40 per kg. The Government of India is understood to be considering incentives for higher production and export of Orthodox tea. The Government has introduced the price sharing formula with effect from 1st April 2004. The system had proved to be highly effective in countries like Sri Lanka and Kenya.

c) Known trends or uncertainties

Being an agricultural crop, the tea industry remains heavily dependent on the climatic conditions. To ensure consistent supply of quality green leaf, the Company has adopted a village 'Thummanhutti' near its factory with the help of Tea Board, Ooty and UPASI, besides sourcing green leaf from the local growers and agents. The cost of green leaf is fixed by the local authority based on the prevailing auction price and the conversion ratio of green leaf to made tea which is published monthly and is applicable to all tea factories in South India. As a sequel to the volatility in the price of raw materials, the end product price will move up or down in the same direction if not in the same proportion.

d) Future changes in relationship between costs and revenues

With the state-of-art technology deployed in the existing tea production units of the Company and with low labour and overhead cost, the Company's new units will also be equipped accordingly and the labour and overhead costs will be very much under control.

- e) Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices
Any change in cost of labour or raw material or overheads in the future will be offset by increase in sales price.

- f) Total turnover of each major industry segment in which the company operates

The production and sale statistics for tea is as follows:

(tonnes)

Calendar year	Production	Export Sales	Sold in Indian Auctions
2003	857,055	173,101	473,370
2004 (January to September)	598,100	126,200	298,100

- g) Status of any publicly announced new products or business segments

There are no publicly announced new products or business segments. The existing product basket of the Company consists of tea, coffee, wheat, rice, edible oil and pulses. The Company is planning to sell tea in the domestic market also besides its regular exports to countries like Russia, CIS countries, Afghanistan, Iran, Iraq, Pakistan, Kuwait etc.

- h) The extent to which business is seasonal

Being an agricultural crop, the industry is seasonal. To stabilize the fluctuations in the earnings of the company due to the seasonality of tea and coffee, the Company has adopted a two pronged strategy. On the one hand it has explored and started exporting to different markets so that the decrease in demand in one market can be counter-balanced by increased off-take in others. The Company has also entered the domestic market in bulk sale through auction houses and agents so that the steady demand in the local markets can be exploited. And on the other hand, the Company has diversified as merchant exporter in several agro-based products. The seasons of agricultural commodities dealt in by the Company are spread through out the year. So, the trend of the turnover of the company does not get majorly affected by the seasonability of the products. Due to the increasing size of the product basket and its entry in the domestic market the Company is confident of countering the risks on account of seasonability.

- i) Any significant dependence on a single or few suppliers or customers

The Company sources its raw materials from a number of suppliers and agents and is not under threat from excessive dependence on any single supplier. The threat from excessive dependence on a few customers is not significant as the customer base is well diversified and the Company is getting repeat orders..

- j) Competitive conditions

There are organized and smaller private sector players who are competitors of the Company. The Company with its quality product, effective cost management and strong relationship with overseas corporate customers over the past number of years, has been continuously out performing its peers and its confident of doing so in the future.

PROJECTIONS VS PERFORMANCE

There are no Public or Rights Issue of Equity Shares of the Company for the three years.

BASIS FOR ISSUE PRICE:

Qualitative Factors

1. An existing profit making Company.
2. Paid continuous dividend from 1995..
3. Total income has increased from Rs.23 crores in 1999-2000 to 33 crores in 2003-04.
4. Issued Bonus shares during 2001-02 and 2002-03.
5. Company has exclusive offices at Moscow, St. Petersburg, Iran and Kazakhstan for marketing purpose.
6. Tax benefits under sections 10(34), 10B, 32, 33AB, 35(1), 54EC, 54ED, of Income Tax act and Wealth Tax benefits.
7. Listing at Mumbai, Kolkata, Cochin and Coimbatore Stock Exchanges.

**Quantitative Factors
BASIS FOR ISSUE PRICE**
1. Adjusted earnings per share (on Rs.10/- per share)

Year	EPS(Rs)	Weight	
2001-02	1.39	1	1.39
2002-03	1.78	2	3.56
2003-04	0.97	3	2.90
Weighted Average EPS	1.31	6	7.85

2. P/E Ratio in relation to issue price of Rs.14/- per share

Particular	
Based on EPS as on 31/03/2004	14.48
Based on weighted average EPS	10.69

3. Return on Networth

Year	RONW	Weight	Rs.
2001-02	20.77	1	20.77
2002-03	10.72	2	21.45
2003-04	5.82	3	17.46
	9.95	6	59.67

4. Minimum Return in Total Net Worth needed after the issue to maintain EPS at Rs. 0.97 is 6.24%
5. Industry P/E Ratio

i. Highest	47.6
ii. Lowest	7.50
iii. Average	18.8

(Source: Capital Markets Volume XIX/20, December 06 – 19, 2004)

6. Net Assets Value (NAV) per share

Particulars	Rs.
a) As at March 31, 2004	16.60
b) After Issue (based on RONW at 6.29%)	15.43
c) Issue price	14.00

The present issue of equity share at a premium of Rs.4 per share is at p/e of 14.48 times and below the average industry P/E ratio. The present book value of the share as on 31.03.04 is Rs.16.61. The issue price of Rs.14 per share is at a discount of 15.71% to the book value of the share.

OUTSTANDING LITIGATIONS / DEFAULTS / DISPUTES:

There have been no prosecution criminal or civil and no outstanding litigations including disputed tax liabilities lodged against the company.

AGAINST THE BOARD OF DIRECTORS, PROMOTERS, OTHER VENTURES OF THE PROMOTERS;

There has been no prosecution, criminal or civil and no outstanding litigations including disputed tax liability lodged against anyone of the members of Board of the Directors or promoters of the company or other ventures of the promoters.

DEFAULTS :
Against the Company:

There has been no default in meeting statutory dues and other dues and claims against the company.

The Company has no overdue, defaults to Financial Institutions / Banks Re-schedulement of loans to Banks / FI's.

Against the Board of the directors, Promoters:

There has been no default in meeting statutory dues and other dues and claims against the Board of Directors/Promoters. There are no pending litigations against the promoters / directors in their personal capacities involving violation of statutory regulations or criminal offences. There are no pending proceedings initiated for economic offences against the Directors / Promoters / Companies

and firms promoted by the promoters. There are no outstanding litigations / defaults pertaining to matters likely to affect the operations and finances of the company including disputed tax liability, prosecution under any enactment in respect of schedule XIII of the Companies Act, 1956. The Company, its promoters / Directors and other companies with which promoters are associated has neither been suspended by SEBI nor any disciplinary action has been taken by SEBI and Stock Exchanges. There are no prosecution launched by Income - Tax Authorities and no liability compounded by the promoters, Company, Companies / firms with which the promoters are associated is subsisting.

There are no cases of pending litigation / defaults In respect of the firms / companies with which the promoters were associated in the past but are no longer associated.

RISK FACTORS AND MANAGEMENT PERCEPTIONS THEREOF

INTERNAL TO BEEYU OVERSEAS LIMITED

1. There has been infrequent transaction in the shares of the Company on the Stock Exchanges.

Management Perception:

The Company shares will be listed at The Stock Exchange, Mumbai which is national level electronically connected Stock Exchange. Moreover the post issue share capital will be substantially larger than the existing capital of the Company, which may result into better liquidity and volumes in the scrip.

2. The profit margins of the Company have declined during 2003-04.

Management Perception:

The overall negative factors, which were prevailing in the Global markets during the last two to three years like the terrorist attack on World Trade Centre, war in Afghanistan, Iraq etc., led to recessionary trends in the global economy, which in turn resulted in lower margins for the Company. Apart from these periods, the margins of the Company have remained fairly steady. The Industry has picked up in the current year and the Company anticipates an improvement in its profits.

3. Perishable nature of products.

Management Perception:

The Company is exporting the products on firm order basis. The Company has been exporting the products for more than a decade and has got firm alternatives to mitigate the above problem. Further, Tea and Coffee, though agricultural product have a longer shelf-life than most other agro-based commodities and with proper packaging can be stored for a considerable long period. The tea produced by the company is manufactured in a highly automated environment and passes through several steps for sorting and cleaning before being packed by automatic machines in food grade packages. As such the shelf-life of the product is long.

4. The Company has not obtained sanction for adequate Power supply for its expansion activities.

Management Perception

Since the new project is coming up in the same premises the Company does not foresee any difficulty in obtaining additional Power supply as envisaged. However the Company is also providing for alternative source of Power supply like purchase of Generator.

5. Company has not obtained clearance from Pollution Control Board.

Management Perception

Company has already obtained consent from the Tamilnadu Pollution Control Board for its existing Plant. Since the expansion is taking place in the same factory premises and the activities are going to be similar the Company does not foresee any difficulty in getting the consent.

6. The Company does not have any strong tie-ups/alliances with reputed major suppliers or customers, in absence of which the company may not be able to generate continuous revenues

Management Perception:

Being an established player, the Company is confident of repeat orders based on the past experience and cordial relations with suppliers & customers. Moreover, the Company strategically plans to diversify its product mix and market mix in such a way that it generates revenue throughout the year.

7. The Project Report has not been appraised by any Institution.

Management Perception

The Company has prepared the Project Report based on market rates and its past experience of setting up three tea manufacturing units in the existing factory premises. The expansion of the activity is only an extension, the rates mentioned in the report are competitive. The State Bank of India has sanctioned a term loan of Rs. 3 crores against the above project.

8. The Company has not placed orders for supply of Plant and Machinery.

Management Perception

The Plant and Machinery are readily available in the market and as such the Company is not foreseeing any difficulty in procuring the same.

9. The availability, cost and quality of the raw materials used in business can vary and cause wide fluctuations in profit margins.

Management Perception:

As the factory is situated in the growing belt and the local tea growers have been selling green leaves to the Company for the last 4 years, the Company does not envisage any problem in sourcing the additional requirement of green leaves. To ensure consistent supply of quality green leaf, the Company has adopted a village 'Thummanhutti' near its factory with the help of Tea Board, Ooty and UPASI. The village produces of quality green leaf per day. The cost of green leaf is fixed by the local authority based on the prevailing auction price and the conversion ratio of green leaf to made tea which is published monthly and is applicable to all tea factories in South India.

10. Seasonality of the products dealt by the Company.

Management Perception:

To stabilize the fluctuations in the earnings of the company due to the seasonality of tea and coffee, the Company has adopted a two pronged strategy. On one hand had it has explored and started exporting to different markets so that the decrease in demand in one market can be counter-balanced by increased off-take in others. The Company has also entered the domestic market in bulk sale through auction houses and agents so that the steady demand in the local markets can be exploited. And on the other hand , the Company has diversified as merchant exporter in several agro-based products. The seasons of agricultural commodities dealt in by the Company are spread through out the year. Due to the increasing size of the product basket and its entry in the domestic market the Company is confident of countering the risks on account of seasonability.

11. As the Company has entered the de-bonded from MEPZ for one of its factories, the advantages of 100% EOU will not accrue in respect of that unit.

Management Perception

In respect of the exports made from the factory the Company will be availing facilities under the Duty Drawback Scheme and as such there may not be any impact on its profitability. Further, the margins of domestic sales being higher the Company anticipates higher profit margin.

EXTERNAL

1. Export realization is subject to exchange rate fluctuation.

Management Perception:

The Company has over the years, developed its risk management systems, both in the commodity market as well as in the currency market. The Company installed online information system services, which provide live quotes of forex. The Company hedges various exposures in foreign currency.

2. Any adverse changes in the Government fiscal policies with respect to concessions on export profit, duty free import entitlement for exports or concessional interest rates on export finance may affect the performance and profitability of the Company .

Management Perception:

Export being the main source of earning for the much needed foreign exchange, it is expected that the Government policies are likely to be favourable to the export industry.

3. Merchant Export activities have become very competitive with many new entrants.

Management Perception:

The Company's Promoters have rich experience of over 4 decades in this industry. The Company expects that it would be in a position to effectively counter competition in view of its large scale of operations. The Company has redefined its scope by entering the domestic market in a major way.

4. Financial Statements in the Offer Document: The financial statements and derived ratios therefrom contained in the Offer Document are prepared as per the permissible accounting policies. The Investors may want to make their own adjustments to the same before arriving at an investment decision in the Offer.

Management Perception:

The financial statements and derived ratios have been prepared in conformity to the extant guidelines and the same have been certified by the statutory auditors of the Company.

5. New entrants like China and Kenya, have increased their presence in the global tea market because of their competitiveness. Another traditional tea growing country Sri Lanka has also become very competitive in prices.

Management Perception:

There has been constant endeavor by the Company to reduce costs and improve quality so that the Company can withstand competition from such markets. Although India's share of Tea exports has been decreasing over the years, there has also been an emphasis on increase in productivity and quality. Despite the loss of export markets, Indian companies have been insulated because of fast growing domestic consumption.

6. The Government policy of opening free trade between SAARC countries under SAFTA (South Asia Free Trade Agreement) has opened up the domestic market for Sri Lankan tea thus posing a competitive threat.

Management Perception:

Initially when large quantities of Sri Lankan tea came into the market, the Government clarified that bulk tea can be imported only for re-exports. Packaged teas are available under concessional customs duty for sale in the local market. The Company, however, has felt no impact from the import of Sri Lankan packaged tea. Also, if the Sri Lankan bulk tea is allowed to be sold in the open market, it will not hurt the Company in view of the direct export contracts.

7. Over the years a decline in tea prices is noticed.

Management Perception:

The tea industry has been reeling under severe pressure from consistently declining tea prices over the last few years. However the prices have shown an improvement from the beginning of 2004 and the Company expects the average price realisations in 2004-05 to improve over the previous year. Further the Company is exporting bulk of its products and as such its earnings have not been affected.

8. The overall production of tea is linked to weather conditions like rainfall, adequate water supply and other such natural factors. Any shortfall can adversely affect the Company's production.

Management Perception:

Tea being a plantation product and the production and quality of Tea is dependent on climatic conditions. As a measure of protection against the vagaries of the weather, the Company has diversified into various commodities with wide regional distribution. Its product basket now include agricultural produces like rice, wheat, pulses, mustard oil, sesame seed, sunflower oil etc. produced in other parts of the country.

9. The Company has not deposited Rs. 21.47 lacs towards Income Tax dues and Rs.0.37 lacs towards Sales Tax dues as at 31.03.2004.

Management Perception:

The Company has already gone for appeal with appropriate authorities. However, even if the appeals are turned down, the Company will meet the dues through its internal accruals.

CORPORATE GOVERNANCE

The company has already taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the listing agreement are complied with. The Company has already

broad-based its Board of Directors and also set up the necessary committees as per the requirements.

The present strength of the Board of Directors is eleven comprising of four Executive Directors and seven non-executive Directors, of which six directors are independent directors. The company has also formed the following committees:

- Audit Committee
- Shareholders/ Investor Grievance Committee.
- Share Transfer Committee
- Remuneration Committee

Audit Committee:

The Audit Committee, set up in 2000, is responsible for overseeing the company's financial reporting process, reviewing with the management the financial statements and adequacy of internal audit function and discuss significant internal audit findings. The committee acts as a link between the management, external and internal auditors and board of Directors of the Company. The members of the Audit Committee are as mentioned below.

1 Dr. R. Srinivasan	Non-Executive Director (Independent)	Chairman
2 Mr. Harish Parekh	Non-Executive Director (Independent)	Member
3 Mrs. Lila Poonawalla	Non-Executive Director (Independent)	Member
4 Mr. R. Chattopadhyay	Company Secretary	Secretary

Shareholders/ Investor Grievance Committee:

The company has constituted Shareholders/ Investor Grievance Committee under the Chairmanship of a non-executive Directors to specifically look into the redressal of investor complaints like transfer of shares, non-receipt of balance sheet etc.,

1 Mr. Arabinda Bose	Non-Executive Director (Independent)	Chairman
2 Mr. Birendra Pratap Singh	Executive Chairman	Member
3 Mrs. Usha Singh	Director	Member
4 Mr. R. Chattopadhyay	Company Secretary	Secretary

Share Transfer Committee:

The company has constituted Share Transfer Committee which meets every fortnight to approve share transfers:

1 Mr. Birendra Pratap Singh	Executive Chairman	Chairman
2 Mr. Ravi Singh	Vice - Chairman	Member
3 Mr. F.J. Kapadia	Director - Finance	Member
4 Mr. R. Chattopadhyay	Company Secretary	Secretary

Remuneration Committee:

The company has constituted Remuneration Committee, in 2000, under the Chairmanship of a non-executive Directors to approve and monitor remuneration paid to the executive Directors and senior executive just below the Board level:

1 Mr. Harish Parekh	Director	Chairman
2 Mr. Sajjan Bagaria	Director	Member
3 Mr. S. K. Jain	Director	Member
4 Mr. R. Chattopadhyay	Company Secretary	Secretary

Investor Grievance Redressal System:

The Registrar to the Issue will handle investors grievances pertaining to this issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrars to the issue in attending to the grievances of the investors.

The Company assures that the following schedules shall be adhered to by the board of Directors in respect of complaints, if any, to be received.

S.No. Nature of Complaint

- Non-receipt of the refund warrants or share certificates

Time Taken

Within 7 days of receipt of complaint, subject to production of satisfactory evidence

-
- | | | |
|----|--|---|
| 2. | Change of address notification | Within 7 days of receipt of information |
| 3. | Any other complaints in relation to public issue | Within 7 days of receipt of complaint with all relevant details |

The Company has appointed Mr. R. Chattopadhyay, Company Secretary as Compliance Officer who would directly deal with SEBI office with respect to implementation of various laws, rules, regulations and other directives issued by SEBI and matters related to investor complaints. The investors may contact the compliance officer in case of any pre-issue/post-issue related problems. The Compliance Officer will be available at the following address:

M/s Beeyu Overseas Ltd.
'Beeyu House', 64A, Ballygunge Circular Road, Kolkata – 700 019
Ph: 033 2280 9267/68/69; Fax: 033 2280 8136
E-mail: co.sec@beeyuoverseas.com

PART II**A. GENERAL INFORMATION****CONSENTS**

Consents in writing of the Auditors, Lead Manager, Registrar, Directors, Compliance Officer, Banker to the Company and Bankers to the Issue to act in their respective capacities have been obtained and filed with the Registrar of Companies, along with a copy of this Prospectus as required under Section 60 of the Act and none of them have withdrawn their consents up to the time of delivery of a copy of this Prospectus for registration.

M/s Price Waterhouse, Chartered Accountants, Kolkata the Statutory Auditors of BOL have also given their written consent to their report being included in the form and content in which it appears in this Prospectus and also of the tax benefits accruing to the Company and its members and such consent has not been withdrawn up to the time of delivery of a copy of this Prospectus for registration to the Registrar of Companies, West Bengal.

EXPERT OPINION

Save as otherwise indicated elsewhere in the Prospectus, no other expert opinion has been sought after by BOL.

CHANGE IN DIRECTORS OF BOL DURING THE LAST THREE YEARS*

Name	Date of change	Reason
Mr. Harish Parekh	18.01.2002	Joined
Ms. Rajinie Singh	15.03.2002	Joined
Mr. Kamal Parekh	21.08.2002	Resigned for personal reasons
Mr. Arabinda Bose	31.08.2002	Resigned from the services of the Company but continues as a Director
Mr. D. K. Khandelwal	27.09.2002	Resigned for personal reasons
Mrs. L .Poonawalla	30.01.2004	Joined
Mr. Sajjan Bagaria	29.05.2004	Joined
Mr. Philip John	31.07.2004	Resigned for personal reasons
Mr. A. R. Basu	31.07.2004	Resigned for personal reasons
Mr. F. J. Kapadia	01.11.2004	Joined

CHANGE IN AUDITORS OF BOL DURING THE LAST THREE YEARS

M/s **Price Waterhouse, Plot No.Y-14, Block – EP, Sector V, Bidhan Nagar, Kolkata-700091** are the Statutory auditor of the company There has been no change in the Auditors of the Company during the last three years.

FEES PAYABLE TO LEAD MANAGER

The total fees payable to the Lead Manager will be as per the Memorandum of Understanding signed amongst the Company and the Lead Manager, a copy of which is available for inspection at the Registered Office of the Company.

FEES PAYABLE TO REGISTRAR

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding signed amongst the Company and the Registrar to the Issue, a copy of which is available for inspection at the Registered Office of the Company.

UNDERWRITING COMMISSION

The present Issue is not being Underwritten and hence no Underwriting commission is payable.

STATUTORY AND OTHER INFORMATION**MINIMUM SUBSCRIPTION**

If the Company does not receive minimum subscription of 90% of the amount payable on application on the date of closure of the Issue or the subscription level falls below 90% after the closure of the issue on account of cheques having being returned unpaid or withdrawal of applications, BOL shall forthwith refund the entire amount received. If there is a delay beyond 8 days after the date from which BOL becomes liable to pay the amount, BOL shall pay interest as per the Act.

EXPENSES OF THE ISSUE

The expenses of the present Issue payable by BOL, which include brokerage, fees to the Lead Manager and Registrars to the Issue, printing and publication expenses, listing fees, distribution and

other miscellaneous expenses are estimated at Rs. 49.90 Lacs and will be met by BOL through internal accruals.

BROKERAGE

Brokerage will be paid by the Company @ 1.50 % on the issue price of the shares on the basis of allotments made against applications bearing the stamp of a member of any recognised stock exchange in India in the Brokers column in the application form. Brokerage at the same rate will be payable to the Bankers to the Issue in respect of allotments made against applications provided the relevant application forms bear their respective stamps in the brokers column.

In case of tampering or over stamping of brokers/agents codes on the application form the issuer's decision to pay brokerage in this respect will be final and no further correspondence would be entertained in this regard.

PREVIOUS PUBLIC/ RIGHTS ISSUE

The Company has issued 17,25,000 Equity shares of Rs.10/- each for cash at par aggregating to Rs.172.50 lakhs to the Public during February, 2000.

ISSUE OF SHARES AND DEBENTURES OTHERWISE THAN FOR CASH

The Company has not issued shares and debentures otherwise than in cash except as mentioned elsewhere in the Prospectus

PREVIOUS COMMISSION AND BROKERAGE

The Company has not paid commission and/or brokerage in the past.

OUTSTANDING DEBENTURES AND REDEEMABLE PREFERENCE SHARES

There are no outstanding Debentures / Redeemable Preference Shares issued by BOL.

OPTION TO SUBSCRIBE

Except as otherwise stated in the Prospectus, the Company has not entered into nor does it, propose to enter into any contract or arrangement whereby any option or preferential right of any kind has been or is proposed to be given to any person to subscribe for any shares in or debentures of the Company.

INVESTORS MAY KINDLY NOTE THAT TRADING IN THE SHARES OF THE COMPANY ON THE STOCK EXCHANGES SHALL BE IN DEMATERIALIZED FORM ONLY FOR ALL THE INVESTORS.

REVALUATION OF ASSETS:

The Fixed Assets of the company were revalued during the accounting year ended 31st March 2003. Land, Factory Building, Building, Estates & Developments and Plant & Machinery at Ooty factory and Kolkata office were valued by approved valuers on the basis of current replacement value.

Sr. Head	Book WDV on 31 st March 2003	Valuers fig. on 31 st March 2003	Appreciation
	Rs.	Rs.	Rs.
1. Land (Freehold) at Ooty	3,52,12,500	3,99,00,000	46,87,500
2. Land (Leasehold) at Kolkata	25,00,000	97,30,000	72,30,000
3. Factory Building	2,38,57,582	2,70,50,000	31,92,418
4. Building (Others)	1,46,49,251	1,52,12,000	5,62,749
5. Estates & Development	31,61,928	41,52,001	9,90,073
6. Plant & Machinery	2,43,55,059	2,50,56,000	7,00,941
TOTAL	10,38,01,302	12,11,00,001	1,73,63,681

CLASSES OF SHARES

The authorised share capital of BOL is Rs 15,00,00,000 (Rupees Fifteen crores only) divided into 1,50,00,000 Equity Shares of Rs.10/- each. There is no other class of shares of BOL.

PURCHASE OF PROPERTY:

Save as elsewhere stated in this Prospectus and save in respect of the property purchased or acquired or to be purchased or acquired under the contracts referred to under the heading "Material Contracts" there is no property which the company has purchased or acquired or proposes to purchase or acquire which is to be paid for wholly or partly out of the proceeds of the present issue

or the purchase or acquisition of which has not been completed on the date of the issue of this Prospectus, other than property:

a. the contract for the purchase or acquisition whereof was entered into in the ordinary course of the Company's business, such contract not being made in contemplation of the issue nor the issue in consequence of the contract;

b. in respect of which the amount is not material.

The company has not purchased any property in which any of its Promoters and / or Directors, have any direct or indirect interest in any payment made thereof.

INTEREST OF DIRECTORS AND PROMOTERS

The promoters and directors do not have any interest / business dealings with the Company other than the following:

All the Directors of BOL may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board and of Committees thereof, reimbursement of expenses as well as to the extent of other remuneration, if any, payable to them under the Articles.

All the Directors may also be deemed to be interested to the extent of equity shares, if any, already held by them and / or their friends and relatives in BOL, or that may be subscribed for and allotted to them, out of the present issue in terms of this Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity shares.

The Directors may also be regarded as interested in the equity shares, if any, held or that may be subscribed by and allotted to the companies, firms and trust in which they are interested as directors, members, partners, and / or trustees.

The promoters may also be deemed to be interested to the extent of purchase of property as described above.

PAYMENT OR BENEFIT TO PROMOTERS & OFFICERS

Except as stated elsewhere in this Prospectus, no amount or benefit has been paid or given since the inception of BOL or indicated to be paid or given to the promoter or any officer of BOL, save as normal remuneration for services rendered as directors, officers or employees of BOL, and other expenses incurred in the normal course of business.

FORFEITURE

Failure to pay the amount due on allotment on or before the appointed date will render the allottee(s) liable to pay interest thereon @ 18% p.a. on the amount outstanding from the date so appointed to the date of actual payment. It is to be noted that 30 days will be permitted for payment of allotment monies without interest. Failure to pay the amount as aforesaid shall also render the shares and the amount already paid (including premium) liable to forfeiture in accordance with the Articles. The Board shall be at liberty to reissue the shares so forfeited to any other person(s) on the terms and conditions as they deem fit.

B. AUDITORS REPORT

The Board of Directors
Beeyu Overseas Limited
Beeyu House
64A Ballygunge Circular Road
Kolkata 700 019

Dear Sirs,

Re: Proposed Issue of 71,40,000 Equity Shares of Rs.10 each at a premium of Rs.4 per share

We have examined the financial information of Beeyu Overseas Limited (the Company), as attached to this report, i.e. Annexure 1 to 9 stamped and initialed by us for identification which are proposed to be included in the Prospectus of the Company and have been prepared in accordance with Part II of Schedule II of the Companies Act, 1956 of India ("the Act") and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000 ("the Guidelines") issued by the Securities and Exchange Board of India (SEBI) in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992 except as indicated otherwise in our report.

A. Statement of Restated Profit and Losses and Assets and Liabilities

1. We have examined the accounts of the Company for the financial years ended 31st March 2002, 31st March 2003 and 31st March 2004 being last date to which the accounts of the Company have been made up and audited by us for presentation to the members of the Company. We have also examined the accounts of the Company for the six months ended 30th September 2004 prepared and approved by the Board of Directors of the Company and audited by us for the purpose of disclosure in the Prospectus. The accounts for the financial year ended 31st March 2001 and 31st March 2000 have been audited by S L Duggar & Associates and accepted by us.

2. In accordance with the requirements of "the Act" and "the Guidelines" we report that:

a) We have examined the accompanying statements of Restated Profits and Losses and Restated Assets and Liabilities which reflect the profits for each of the years ended on 31st March 2000, 31st March 2001, 31st March 2002, 31st March 2003, 31st March 2004 and half year ended 30th September 2004 and Assets and Liabilities as at those dates together with the Significant Accounting Policies and Notes to the Statement of Restated Profit and Losses and Assets and Liabilities enclosed as Annexure 1, 2 and 3 to this report. These statements have been extracted from the audited accounts indicated in paragraph 1 for those years and after considering disclosures and adjustments required to be made in accordance with the provisions of ("the Act") and ("the Guidelines"), as we considered appropriate.

b) We have examined the Statement of Dividend Payout, as extracted from the audited accounts for the financial year ended 31st March 2000, 31st March 2001, 31st March 2002, 31st March 2003 and 31st March 2004 enclosed as Annexure 4 to this report.

B. Other Financial Information

We have also examined the following financial information related to the Company and as approved by the Board of Directors proposed to be included in the Prospectus.

- i) Capitalisation Statement enclosed as Annexure-5
- ii) Accounting Ratios enclosed as Annexure- 6
- iii) Statement of Tax Shelter enclosed as Annexure-7
- iv) Details of Secured Loans enclosed as Annexure-8
- v) Details of Basis for Price Issue enclosed as Annexure -9

C. Further to the above we report that:

Information relating to the subsidiary companies Beeyu Plantations Limited, Beeyu Exports Limited, and Singapore Amusement Park Limited, required as per the provisions of ("the Act") and paragraph 6.18.3 of "the Guidelines" has not been furnished in view of their amalgamation with effect from 1st April 2001 with the Company.

In our opinion, the financial information of the Company as attached in this report as mentioned in A and B above read together with our remarks in paragraph C above, have been prepared in accordance with provisions of ("the Act") and ("the Guidelines"), as we considered appropriate.

This report is intended solely for your information and for inclusion in the Prospectus in connection with the aforementioned proposed Public Issue of the Company and is not to be used, referred to or distributed for any purpose without our prior written consent.

Yours faithfully

Partha Mitra

Partner

For and on behalf of

Price Waterhouse

Chartered Accountants

Membership No. 50553

Kolkata, 17th December 2004

STATEMENT OF RESTATED PROFIT AND LOSSES

Annexure 1.
(Rs. in lakhs)

Particulars		Half Year ended 30 th September 2004	Year Ended				
			31 st March, 2004	31 st March, 2003	31 st March, 2002	31 st March, 2001	31 st March, 2000
A. INCOME							
1. Sales & Services							
A	Of products Manufactured by the Company	278.36	525.96	581.64	159.05	-	-
B	Of products Normally Traded by the Company	1,214.58	2,621.23	3,564.15	4,702.81	3,240.36	1,939.04
C	Of products Not-Normally Traded by the Company	13.64	-	675.78	-	-	0.17
D	Commission and Services	55.75	135.25	192.94	144.51	291.36	247.94
		1,562.33	3,282.44	5,014.51	5,006.37	3,531.72	2,187.15
2. Other Income from ordinary activities of the business							
Recurring							
a.	Interest Received	3.42	39.30	68.46	57.01	81.61	90.70
b.	Miscellaneous Income	0.12	3.64	3.62	3.65	5.89	6.67
c.	Liabilities no longer required written back	-	4.01	-	-	0.57	0.16
d.	Sale of Import Licence	2.87	4.49	14.88	2.86	2.80	3.00
e.	Exchange Gain	1.46	-	-	8.41	1.47	-
Non- recurring							
f.	Profit on Sale of Investment	-	-	-	-	-	0.30
		7.87	51.44	86.96	71.93	92.34	100.83
3. Increase / (Decrease) in Inventories		382.98	(13.63)	(4.33)	(96.84)	(235.41)	340.06
		1,953.18	3,320.25	5,097.14	4,981.46	3,388.64	2,628.04
B. EXPENDITURE							
a.	Materials (Raw Material / Finished Goods)	1,600.39	2,466.81	4,057.69	4,010.73	2,483.50	1,884.26
b.	Staff Cost	41.39	91.92	91.29	83.64	42.87	45.65
c.	Other Manufacturing Expenses	103.43	139.45	132.64	100.57	-	-
d.	Administration and General Expenses	57.06	161.88	176.99	147.24	106.86	101.06
e.	Selling and Distribution Expenses	45.89	168.85	236.28	299.16	328.02	278.61
		1,848.16	3,028.91	4,694.89	4,641.34	2,961.25	2,309.58
C. PROFIT BEFORE INTEREST, DEPRECIATION AND TAX		105.02	291.34	402.25	340.12	427.39	318.46
a.	Interest and Finance Charge	30.18	123.78	157.81	175.26	130.27	113.64
b.	Depreciation	49.78	90.92	83.13	51.44	11.07	9.85
D. PROFIT BEFORE TAX		25.06	76.64	161.31	113.42	286.05	194.97
	Taxation	9.09	8.50	36.30	15.52	101.97	13.29
E. NET PROFIT AFTER TAXATION (as restated)		15.97	68.14	125.01	97.90	184.08	181.68

STATEMENT OF RESTATED ASSETS AND LIABILITIES**Annexure 2**
(Rs. in lakhs)

Particulars		As at 30th September, 2004	As at 31st March, 2004	As at 31st March, 2003	As at 31st March, 2002	As at 31st March, 2001	As at 31st March, 2000
1 Fixed Assets							
a	Gross Block	1,733.92	1,726.63	1,340.06	857.23	69.82	56.26
b	Less: Depreciation	(322.70)	(270.15)	(184.04)	(101.41)	(28.53)	(17.67)
c	Net Block	1,411.22	1,456.48	1,156.02	755.82	41.24	38.59
d	Capital Work-In-Progress (net of subsidy)	16.48	1.64	130.03	234.70	104.34	64.09
E	Less: Revaluation Reserve	(165.34)	(168.11)	(173.64)	-	-	-
Net Block after adjustment for Revaluation Reserve		1,262.36	1,290.01	1,112.41	990.52	145.58	102.68
2 Investments (Unquoted)		0.61	0.61	0.61	0.54	202.96	135.25
3 Current Assets, Loans and Advances							
a	Inventories	525.50	133.95	152.31	158.65	239.21	478.56
b	Sundry Debtors	331.67	139.57	486.21	285.31	260.26	128.38
c	Cash and Bank Balances	215.71	352.94	783.88	637.23	606.97	751.29
d	Loans and Advances	98.19	70.40	90.36	166.75	752.80	553.12
		1,171.07	696.86	1,512.76	1,247.94	1,859.24	1,911.35
4 Liabilities & Provisions							
a	Secured Loans	606.09	494.26	952.85	794.24	803.46	706.42
b	Unsecured Loans	-	-	-	0.16	-	-
c	Deferred Tax Liabilities	11.88	7.34	2.33	(2.84)	-	-
d	Current Liabilities	630.33	240.28	438.89	310.28	241.19	486.12
e	Provisions	-	79.22	66.02	42.56	232.76	130.79
		1,248.30	821.10	1,460.09	1,144.40	1,277.41	1,323.33
5 Net Worth (as Restated)		1,185.74	1,166.38	1,165.69	1,094.60	930.36	825.95
6 Represented by							
a	Share Capital	702.47	702.47	585.44	532.24	532.24	530.63
b	Reserves & Surplus	681.31	668.32	802.23	622.79	426.05	330.25
	Less: Revaluation Reserves	(165.34)	(168.12)	(173.64)	-	-	-
c	Less: Miscellaneous Expenditure (to the extent not written off)	(32.70)	(36.29)	(48.34)	(60.43)	(27.93)	(34.93)
		1,185.74	1,166.38	1,165.69	1,094.60	930.36	825.95

Annexure – 3**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE STATEMENT OF RESTATED
PROFIT AND LOSSES AND ASSETS AND LIABILITIES****1. SIGNIFICANT ACCOUNTING POLICIES****A. Convention**

The financial statements have been prepared in accordance with the applicable Accounting Standards in India. A summary of important accounting policies, is set out below.

B. Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified by revaluation of certain fixed assets.

C. Fixed Assets

Land, building, estate & development, and plant & machinery as at 31st March, 2003, are stated at valuation made by an approved valuer at the then current cost. Subsequent acquisition of these assets other than land, and other fixed assets are stated at their cost of

acquisition less depreciation. Cost of acquisition includes borrowing costs that are directly attributable to acquisition, construction and production of qualifying assets.

Depreciation on fixed assets other than freehold and leasehold land is provided on written down value in accordance with Schedule XIV of the Companies Act 1956, of India. Leasehold land is being amortized over the lease period and no depreciation is charged on freehold land. Additional charge of depreciation on amount added on revaluation is adjusted against revaluation reserve.

Profit or Loss on disposal of fixed assets is recognized in the Profit and Loss Account.

D. Investments

Long term investments are stated at cost, and provision is made when there is a fall other than temporary, in valuation of investments.

E. Inventories

Inventories are valued at lower of cost and net realizable value.

Cost is determined on First In First Out (FIFO) basis and includes expenditure incurred in the normal course of business in bringing such inventories to its location including appropriate overheads, wherever applicable. Obsolete, slow moving and defective inventories are identified at the time of physical verification and wherever, necessary provision is made for such inventories.

F. Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transactions. Gains/losses arising out of fluctuations in the exchange rates are recognized in the Profit and Loss Account in the period in which they arise except in respect of fixed assets where the exchange variance is adjusted in the carrying amount of the respective fixed assets.

Gains and losses on foreign exchange rate fluctuation relating to current assets and liabilities are accounted for at the year end except in case of inventories.

Gains or losses on foreign exchange rate fluctuations relating to inventories are accounted for where valuation is at net realizable value.

G. Sales and Services

Sales and services represent the invoiced value of goods sold or services rendered in accordance with the terms of the contract, net of taxes and duties.

H. Income from Investment

Interest income from investment and deposits is included together with related tax credit in the Profit and Loss Account.

I. Subsidy

Amount received as subsidy relating to a capital asset is deducted from the cost of that asset. Other subsidies are recognized in the Profit & Loss Account as a deduction from the relevant expenses.

J. Retirement Benefit

Retirement Benefits are dealt with in the following manner:

- i) Contributions to Provident Fund are accounted for on accrual basis.
- ii) The company has taken out a policy with the Life Insurance Corporation of India (LIC) for future payment of gratuity liability to its employees and has provided for the amount as determined by LIC in these accounts.
- iii) The Company has taken out a pension fund policy with Life Insurance Corporation of India (LIC) which is a defined contribution scheme and has provided for the contributions made to LIC in these accounts.
- iv) Leave Encashment Benefit has been accounted for as per the rules of the Company.

K. Deferred Taxation

Provision for deferred taxation is made using the liability method, at current rates of taxation, on timing differences to the extent it is probable that a liability or asset will crystallize.

L. Miscellaneous Expenditure

Miscellaneous Expenditure to the extent not written off or adjusted comprises costs, which are deferred revenue in nature and includes:

- i) Preliminary and preoperative expenses which are amortized over a period of ten years
- ii) Public issue and amalgamation expenses which are amortized over a period of five years.

2. Change in Accounting Policy - Inventories

In the financial year ended on 31st March 2004, the method of determination of cost in respect of trading and manufactured finished goods, has been changed to First In First Out (FIFO) basis from Weighted and simple average method respectively. Accordingly the valuation of inventories of the financial years ended 31st March 2000, 2001, 2002 and 2003 have been recalculated on FIFO basis. Adjustments have been made in restating Profits and Net Worth for the relevant periods.

The impact in the Profits and Net Worth as a result of the above change is given below;

(Rs. in lakhs)

Particulars	Year Ended			
	31 st March 2003	31 st March 2002	31 st March 2001	31 st March 2000
Impact on Profits and Net Worth Increase/(Decrease)	4.87	22.64	94.75	(121.32)

3. Taxation

Provision for taxation in the restated statements have been made on the basis of restated profits and as per the provisions of the Income Tax Act 1961, and the rules framed there-under.

4. Prior Period items

Prior period items have been adjusted in the years to which they relate under the relevant heads of income and/or expenditure.

5. Revaluation Reserve

The amount of revaluation reserve has been adjusted against Reserves & Surplus in calculating the net-worth of the Company.

6. Expenditure includes :

(Rs. in lakhs)

Particulars	Half year Ended 30 th September 2004	Year ended				
		31 st March 2004	31 st March 2003	31 st March 2002	31 st March 2001	31 st March 2000
Sundry balances written off	0.06	-	10.71	-	-	-
Duty Drawback (Credit)	2.06	-	-	-	26.42	41.12

7. Fixed Assets :

Title in respect of the land at Ooty vested in the Company by virtues of amalgamation of erstwhile Singapore Amusement Park Limited is in the process of being transferred in the name of the Company.

8. Cash & Bank

Cash & Bank balances include fixed deposits pledged with a bank for a loan given to the company as under :

(Rs. in lakhs)

Particulars	Half year Ended 30 th September 2004	Year ended				
		31 st March 2004	31 st March 2003	31 st March 2002	31 st March 2001	31 st March 2000
Fixed Deposits	120.20	203.70	713.77	583.74	593.04	513.47

9. Secured Loans

Particulars of Security provided against secured Loans as on 30th September 2004;

- a. Working Capital loan from State Bank Of India is secured against hypothecation of raw materials, work-in-progress, finished goods and receivables. It is collaterally secured by the

hypothecation of plant and machinery and by way of an equitable mortgage by deposit of title deeds of land 47.5 acres of land at Doddabetta, Ooty.

- b. Working Capital loan from ICICI Bank is secured against hypothecation of raw materials, semi-finished and finished goods, consumable stores and book debts ranking pari passu with the charge created in favour of State Bank of India. The loan is collaterally secured by the hypothecation of moveable properties situated at Kolkata and Doddabetta, Ooty including the Company's plant and machinery, machinery spares, tools and accessories and other moveables, both present and future.
- c. Vehicle loan from Ford Kotak Mahindra is secured by hypothecation of certain vehicles.

10. Current Liabilities and Provisions

There is no amount due to be credited to Investor Education and Protection Fund as at 30th September 2004.

11. The orthodox factory of the Company started operation with effect from 12th August 2003.

12. Beeyu Plantations Limited, Beeyu Exports Limited and Singapore Amusement Park Limited have been amalgamated with Beeyu Overseas Limited with effect from 1st April, 2001, in terms of the Scheme of Amalgamation (the Scheme) sanctioned by the Hon`ble High Court of Kolkata vide its Order dated 29th January, 2002. In accordance with the said Order, all the equity shares issued by Beeyu Plantations Limited, Beeyu Exports Limited and Singapore Amusement Park Limited were cancelled once the Scheme became effective. As per the terms of the Scheme, the undertaking and the entire business including assets (both movable and non-movable), rights, powers, interests, properties as well as liabilities, duties and obligations of Beeyu Plantations Limited, Beeyu Exports Limited and Singapore Amusement Park Limited were vested in and transferred to Beeyu Overseas Limited with effect from 1st April, 2001.
The amalgamation was in the nature of merger and accounted for under the Pooling of Interest method.

13. In view of information received from suppliers, information required to be disclosed regarding Small Scale & Ancillary Industries could not be furnished in these Accounts.

14. Directors' Remuneration

(Rs. In lacs)

Directors' Remuneration

(Rs. in lacs)

Particulars	Half year Ended 30 th September 2004	Year ended				
		31 st March 2004	31 st March 2003	31 st March 2002	31 st March 2001	31 st March 2000
Executive Directors						
Salaries & Bonus	11.00	25.20	26.00	24.95	24.95	25.80
Contribution to Provident and Other Fund	2.14	5.14	5.49	1.77	-	-
Perquisites	3.49	4.34	3.82	3.38	0.77	1.01
	16.63	34.68	35.31	30.10	25.72	26.81
Non-Executive Directors						
Sitting fees	0.82	0.99	0.59	0.56	-	-
	17.45	35.67	35.90	30.66	25.72	26.81

(Rs. in lakhs)

Particulars	Half year Ended 30 th September 2004	Year ended				
		31 st March 2004	31 st March 2003	31 st March 2002	31 st March 2001	31 st March 2000
15. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	22.13	100.00	-	41.09	140.00

(Rs. in lakhs)

16.	Contingent Liabilities – not provided for	Half year Ended 30 th September 2004	Year ended				
			31 st March 2004	31 st March 2003	31 st March 2002	31 st March 2001	31 st March 2000
	a) Disputed Liabilities						
	i) Income Tax	4.52	4.52	1.70	1.28	44.26	1.86
	ii) Sales Tax	0.37	0.37	0.37	0.37	-	-
	b) Bank Guarantees	14.00	14.00	11.00	10.62	24.12	1.00
	c) Bills Discounted	282.61	370.29	558.19	585.98	70.84	257.85

17. Company and its directors are partners in M/s. Beeyu Overseas. Details of relevant information is given below :

Particulars	Half year Ended 30 th September 2004	Year ended				
		31 st March 2004	31 st March 2003	31 st March 2002	31 st March 2001	31 st March 2000
a. Profit Sharing Ratio						
Name of the partners	Sharing Ratio					
M/s. Beeyu Overseas Limited	80 %	80 %	60 %	60 %	60 %	60 %
Mr. Birendra Pratap Singh	10 %	10 %	20 %	20 %	20 %	20 %
Mr. Ravi Singh	5 %	5 %	-	-	-	-
Mr. A. R. Basu	5 %	5 %	-	-	-	-
Mr. S. K. Malhotra	-	-	10 %	10 %	10 %	10 %
Sri N. J. Keshan	-	-	10 %	10 %	10 %	10 %
b. Due to Partnership Firm (in Rs. Lakhs)	-	9.78	10.50	3.34	25.22	10.29
c. Loss of share in Partnership firm (in Rs.)	-	626	294	1,320	1,350	69,714

18. Expenses includes rent of Rs. 10.37 lakhs paid to a HUF, in which a director is a Karta for the Financial Year 1999-2000 and 2000-2001.

19. Deferred Taxation

The disclosure has been made as per requirement of Accounting Standards on "Accounting for Taxes on Income" (AS 22) with effect from financial year 2001-02 in which the Standard became applicable to the Company.

- a. Deferred tax provision has been made in the Accounts in accordance with AS 22. As required by the said Standard deferred tax provision relating to previous year amounting to Rs. 2.11 lacs has been adjusted against the general reserve as on 1st April 2001.
- b. The major components of the deferred tax assets/(liabilities) based on the tax effect of timing differences are as under:

(Rs. In lakhs)

ifferences are as under:

(Rs. in lakhs)

Particulars	Half year Ended 30 th September 2004	Year ended		
		31 st March 2004	31 st March 2003	31 st March 2002
Tax effect on timing differences:				
Deferred Tax Assets/(Liability) (Excess)/Shortfall of tax depreciation over book depreciation	(12.61)	(7.82)	(2.82)	3.30
Tax charge of deferred revenue expenditure over book adjustment	1.26	0.49	0.49	(0.47)
	(11.88)	(7.33)	(2.33)	2.83

20. Calculation of Basic and Diluted Earning Per Share

(Rs. In lacs)

	Particulars	Half year Ended 30 th September 2004	Year ended				
			31 st March 2004	31 st March 2003	31 st March 2002	31 st March 2001	31 st March 2000
A	Profit After Tax (Rs)	15.96	68.14	125.01	97.90	184.09	181.67
B	Weighted number of shares outstanding	702.20	702.20	702.20	702.20	702.20	702.20
C	Earning Per Share (Basic & Diluted) (Face Value of Rs. 10/- per share) A/B (Rs)	0.23	0.97	1.78	1.39	2.62	2.59

Note: The Company has issued bonus shares in financial years 2001-02 and 2002-03. As per the requirement of the Accounting Standard on Earnings Per Share (AS22) number of equity shares outstanding at the end of each financial year prior to the issue of bonus shares has been increased and such increased number of shares has been considered for determining the EPS.

21. Related Party

The disclosure has been made as per requirement of Accounting Standards on "Related Party Disclosures" (AS 18) with effect from financial year 2001-2002 in which the said Standard became applicable to the company.

1. Enterprises where control exists

- Person having substantial interest in the Company
Mr B P Singh – Executive Chairman

2. Other related parties with whom the company had transactions.

- Key Managerial Personnel
Mr. Ravi Singh – Vice Chairman
Ms. Rajinie Singh – Dy. Managing Director
- Relatives of the key managerial personnel
Mrs. Usha Singh

3. The following transactions were carried out with the related parties in course of ordinary business transaction: (Rs. in lakhs)

Particulars	Half year Ended 30 th September 2004	Year ended		
		31 st March 2004	31 st March 2003	31 st March 2002
Persons having substantial interest in the Company				
- Rent	-	-	4.32	10.37
- Directors' Remuneration	7.65	15.00	-	-
Key Management Person and relatives				
- Rent	5.40	5.40	5.90	6.06
- Directors' Remuneration	8.98	19.68	35.31	30.66
TOTAL				
- Rent	5.40	5.40	10.22	16.43
- Directors' Remuneration	16.63	34.68	35.31	30.66

22. Segmental Information

The disclosure has been made as per the requirement of Accounting Standards on "Segment Reporting" (AS-17) with effect from the financial year 2001-02 in which the said Standard became applicable to the Company.

(Rs. in lakhs)

Particulars	Half year Ended 30 th September 2004	Year ended 31 st March		
		2004	2003	2002
(a) Segment Results:				
Segment Revenue	1562.33	3282.45	5014.51	5006.37
- Tea	455.92	1562.30	2302.10	2248.36
- Coffee	1037.02	1584.25	1838.28	2608.15
- Rice/Wheat	13.64	-	675.78	-
- Agency	55.75	135.24	192.94	144.51
- Others	-	0.66	5.41	5.35
Segment Result	56.49	165.76	253.95	341.03
- Tea	(53.12)	50.15	37.61	162.18
- Coffee	62.98	3.75	16.16	158.28
- Rice/Wheat	0.14	-	32.00	-
- Agency	46.49	112.61	168.95	19.36
- Others	-	(0.75)	(0.77)	1.21
Segment Assets	2089.56	1431.42	1633.90	285.31
- Tea	1804.93	1317.37	1388.48	231.30
- Coffee	244.73	87.77	245.42	50.13
- Rice/Wheat	-	-	-	-
- Agency	39.90	26.28	-	3.88
- Others	-	-	-	-
Segment Liabilities	494.73	226.70	413.43	-
- Tea	128.27	72.45	180.74	-
- Coffee	366.46	154.25	232.69	-
- Rice/Wheat	-	-	-	-
- Agency	-	-	-	-
- Others	-	-	-	-
Capital Expenditure	4.53	382.33	190.02	788.68
- Tea	4.53	382.33	190.02	788.68
- Coffee	-	-	-	-
- Rice/Wheat	-	-	-	-
- Agency	-	-	-	-
- Others	-	-	-	-
Depreciation	39.24	65.67	63.64	51.58
- Tea	39.24	65.67	63.64	51.58
- Coffee	-	-	-	-
- Rice/Wheat	-	-	-	-
- Agency	-	-	-	-
- Others	-	-	-	-
(b) Reconciliation of Reportable Segment with Financial Segment				
Total of reported segments				
- Revenues	1562.33	3282.45	5014.51	5006.37
- Profits	56.49	165.76	253.95	341.03
- Assets	2089.56	1431.42	1633.90	285.31
- Liabilities	494.73	226.70	413.43	-
Interest				
- Revenues	-	-	-	-
- Profits	30.18	123.78	157.81	175.26
- Assets	-	-	-	-
- Liabilities	-	-	-	-

Particulars	Half year Ended 30 th September 2004	Year ended 31 st March		
		2004	2003	2002
Unallocated Items				
- Revenues	-	-	-	-
- Profits	1.25	(34.52)	(65.17)	52.35
- Assets	344.48	556.06	991.88	1953.69
- Liabilities	753.57	594.40	1046.66	1144.40
Taxation				
- Revenues	-	-	-	-
- Profits	9.09	8.36	36.30	15.52
- Assets	-	-	-	-
- Liabilities	-	-	-	-
As per financial statements				
- Revenues	1562.33	3282.45	5014.51	5006.37
- Profits	15.97	68.14	125.01	97.90
- Assets	2434.04	1987.48	2625.78	2239.00
- Liabilities	1248.30	821.10	1460.09	1144.40

Primary Segment – By business

- (a) The internal business segmentation and the activities encompassed therein comprises of manufacturing and trading of tea, coffee, rice, wheat, packing and other materials and also the commission agency business. Since the Company mainly deals with exports there is no reportable secondary segments.
- (b) The segment wise revenue, results, assets and liabilities figures relate to the respective amounts directly indentifiable to each of segments. Un-allocable expenditure includes expenses incurred on common services at the corporate level and relate to the Company as a whole. Un-allocable income comprises of income from other sources.

23. The results as on 30th September 2004 does not include provision for impairment loss as at 1st April 2004 and incremental / decremental effect thereon, if any, required to be adjusted in accordance with the Accounting Standard 28 issued by the Institute of Chartered Accountants of India on "Impairment of Assets" which will be adjusted against the opening revenue reserves and results of the current financial year respectively, at the year end.

STATEMENT OF DIVIDEND PAYOUT

Annexure – 4

Particulars	Financial Year Ended				
	31 st March 2004	31 st March 2003	31 st March 2002	31 st March 2001	31 st March 2000
Issued Share Capital * (in Rs. Lakhs)	702.20	585.76	532.24	532.24	532.24
Dividend	10.00%	10.00%	8.00%	15.00%	15.00%
					on pro rata basis
Dividend (in Rs.) **	70.22	58.58	42.58	79.84	40.34

Note:

* After adjustment of unpaid allotment / call money or forfeiture amount.

** As per audited financial statements.

CAPITALISATION STATEMENT

Annexure – 5

(Rs. in lacs)

Particulars	Pre-issue As at 30th September 2004	Post issue as adjusted for the issue (Note 1)
Debt		
Short Term Debt	600.51	600.51
Long Term Debt	5.58	5.58
	606.09	606.09
Shareholders fund		
a. Equity Shares Capital	702.47	1416.47
b. Reserves & surplus (excluding revaluation reserve)	515.97	801.57
c. Less Miscellaneous Expenditure	32.70	32.70
	1185.74	2185.34
Debt/Equity	0.51	0.28

Note : 1. Adjusted only for changes in Share Capital and Premium.

ACCOUNTING RATIO

Annexure – 6

Particulars	Half year ended 30.09.04	Financial Year ended 31 st March				
		2004	2003	2002	2001	2000
Earning Per share (EPS) (Rs.)	0.23	0.97	1.78	1.39	2.62	2.59
Return on Net Worth (%)	1.35	5.84	10.72	8.94	19.79	22.00
Net Asset Value (NAV) per share (Rs)	16.88	16.61	19.90	20.57	17.47	15.51

Note:

1. The Company has issued bonus shares in financial years 2001-02 and 2002-03. As per the requirement of the Accounting Standard on Earnings Per Share (AS22) number of equity shares outstanding at the end of each financial year prior to the issue of bonus shares has been increased and such increased number of shares has been considered for determining the Earning per share. However in calculating NAV per share, no such adjustment has been made to the number of shares.
2. Net profit as restated appearing in the statement of Profit and Losses as restated has been considered for the purpose of computing the above ratios.
3. EPS, Return on Net Worth and NAV for the period ended 30th September, 2004 are for a period of six months and therefore are not comparable with other years.



TAX SHELTER STATEMENT

Annexure – 7
(Rs. in lacs)

Previous year ended	31.03.04	31.03.03	31.03.02	31.03.01	31.03.00
Assessment Year	2004-05	2003-04	2002-03	2001-02	2000-01
Profit before Tax as per Audited Accounts (A)	76.65	156.44	90.78	200.41	307.18
Tax rate (B)	35.88%	36.75%	35.70%	39.55%	38.50%
Tax on actual rate on Profits (C)	27.50	57.49	32.41	79.26	118.26
Permanent Differences / Adjustments					
Loss from 100% EOU manufacturing Division	-	8.77	24.23	-	-
Expenses claimed not deductible under Income Tax	1.71	0.10	0.01	0.06	3.01
Total Permanent Differences / (D) Adjstments	1.71	8.87	24.24	0.06	3.01
Timing Differences					
Depreciation	(44.77)	(19.73)	1.75	0.98	0.31
Deferred Revenue Expenditure	5.48	1.31	5.47	1.66	-
Others	-	-	-	(0.04)	-
Total Timing Differences (E)	(39.29)	(18.47)	7.22	2.60	0.31
Deductions					
Deduction Chapter VIA	(3.72)	(92.11)	(97.13)	(36.67)	(161.13)
Deduction u/s. 10B	(28.11)	-	-	-	-
Brought forward losses adjusted	-	-	-	-	(0.30)
Brought forward losses of Subsidiaries adjusted		-	-	(9.63)	-
Total Deductions (F)	(31.83)	(92.11)	(106.81)	(36.67)	(161.43)
Net Adjstments (G=D+E+F)	(69.41)	(101.71)	(75.35)	(34.01)	(158.12)
Tax Savings thereon	(24.90)	(37.33)	(26.90)	(13.45)	(60.89)
Tax as per Return (H=A+G)	2.60	20.11	5.51	65.81	57.37
Tax as per MAT	3.51	5.04	(0.50)	12.84	11.45
Tax provided as per books	3.50	29.33	8.17	64.50	60.00
Carry forward Unabsorbed Losses / Allowances	8.96	8.96	8.96	8.96	8.96

Note:

1 Net adjustments have been considered as per the Income Tax Returns filed by the Company for the respective year.

DETAILS OF SECURED LOANS AS AT 30.09.04

Annexure - 8
(Rs. in lacs)

	Particulars	Amount
1	Working Capital Facilities	
a	From State Bank of India	378.66
b	From ICICI Bank	221.85
2	Vehicle Loan	
a	From Ford Kotak Mahindra	5.58
		606.09

Notes

1. The loan from State Bank of India is secured against hypothecation of raw materials, work-in-progress, finished goods and receivables. It is collaterally secured by the hypothecation of plant and machinery and by way of an equitable mortgage by deposit of title deeds of Land 47.5 acres of land at Doddabetta, Ooty.
2. The loan from ICICI Bank is secured against hypothecation of raw materials, semi-finished and finished goods, consumable stores and book debts ranking pari passu with the charge created in favour of State Bank of India. The loan is collaterally secured by the hypothecation of moveable properties situated at Kolkata and Doddabetta, Ooty including the Company's plant and machinery, machinery spares, tools and accessories and other moveables, both present and future.
3. The loan from Ford Kotak Mahindra is secured by hypothecation of certain vehicles.

BASIS FOR ISSUE PRICE

Annexure 9

1. Adjusted earnings per share (on Rs.10/- per share)

Financial Year ended	EPS(Rs)	Weight	
2001-02	1.39	1	1.39
2002-03	1.78	2	3.56
2003-04	0.97	3	2.90
Weighted Average EPS	1.31	6	7.85

2. Price Earning (P/E) Ratio in relation to issue price of Rs.14/- per share

Particulars	Rs.
Based on EPS as on 31/03/2004	14.48
Based on weighted average EPS	10.69

Note: Industry P / E ratio has not been furnished.

3. Return on Networth (RONW)

Year	RONW	Weight	
2001-02	8.94	1	8.94
2002-03	10.72	2	21.44
2003-04	5.84	3	17.52
	7.98	6	47.90

4. Minimum Return in Total Net Worth needed after the issue to maintain EPS at Rs. 0.97 is 6.29%

5. Net Assets Value (NAV) per share

Particulars	Rs.
a) As at March 31, 2004	16.60
b) After Issue (based on RONW at 6.29%)	15.43
c) Issue price	14.00

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

SHARES

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| <p>Authorised Share Capital</p> <p>Further issue of Shares</p> | <p>4. The authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided under Clause No.V of the Memorandum of Association of the Company.</p> <p>6. Subject to the provisions contained in Article 60 hereof, any shares (whether forming part of the original capital or of any increased capital of the Company) may be issued either with the sanction of the Company in General Meeting or by the</p> |
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Board with such rights and privileges annexed thereto and upon such terms and conditions as by the General Meeting sanctioning the issue of such shares be directed, and if no such direction be given and in all other cases, as the Board shall determine and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company, without prejudice, however, to any rights and privileges already conferred on the holders of any shares or class of shares for the time being issued by the Company, provided, however, that where it is proposed to increase the subscribed capital of the Company by allotment of further shares, then, such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date and such offer shall be made in accordance with the provisions of Section 61 of the Act. Provided further that, notwithstanding anything hereinbefore contained, the further shares aforesaid may be offered to any persons, whether or not those persons include the persons, who, at the date of the offer, are holders of the Equity Shares of the Company, in any manner whatsoever :-

- (a) If a Special Resolution to that effect is passed by the Company in General Meeting, or
- (b) Where on such Special Resolution is passed if the votes cast (whether on show of hands or on a poll, as the case may be), in favour of the proposal contained in the Resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in that behalf, that the proposal is most beneficial to the Company.

Acceptance
of shares

1. An application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any share therein, shall be an acceptance of any share within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a member.

DEMATERIALISATION OF SECURITIES

Definitions 17A.(1) For the purpose of this article :

- (i) 'Beneficial Owner' means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996 ;
- (ii) 'Depositories Act' means the Depositories Act, 1996 and includes any statutory modification (s) or re-enactment thereof for the time being in force;
- (iii) 'Depository' means a Depository as defined under clause (c) of sub-section (1) of Section 2 of the Depositories Act; and
- (iv) 'Securities' mean such securities as may be specified by the Securities and Exchange Board of India from time to time;

CALLS

Board may
make calls

19. The Board of Directors may, from time to time by a resolution passed at a meeting of the Board and not by a circular resolution but subject to the conditions hereinafter mentioned, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the Company or where payable to a person other than the Company to the person and at the time or times appointed by the Directors. A call may be payable in installments. Joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Notice of
Call

21. At least fifteen days notice of every call otherwise than on allotment, shall be given specifying the time of payment and if payable to any person other than the Company

specifying the time of payment and if payable to any person other than the Company the name of the person to whom the calls shall be paid provided that before the time for payment of such call the Directors may by notice in writing to the members revoke the same.

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| Board may extend Time | 23. The Board may from time to time at their discretion extend the time fixed for the payment of any call, and may extend such time as to all or any of the members whom for residence at a distant or other cause, the Board may deem entitled to such extension, but no member shall be entitled to such extension as a matter of grace and favour. |
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FORFEITURE, SURRENDER AND LIEN

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| If call or installment not paid notice must be given | 29. If any member fails to pay the whole or any part of any call or instalment of any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any extension thereof as aforesaid, the Directors may at any time thereafter during such time as the call or instalment or any part thereof or other moneys remain unpaid or a judgement of decree in respect thereof remain unsatisfied in whole or in part, serve a notice on such member, or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment. |
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| Terms of notice | 30. The Notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which the money is to be paid, and the notice shall also state that in the event of the non-payment of such money at the time and place appointed, the shares in respect of which the same is owing be liable to be forfeited. |
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| In default of payment, shares to be forfeited. Notice of Forfeiture to members and entry in Register | 31. If the requirement of any such notice shall not be complied with, every or any share in respect of which the notice is given, may at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, forfeited by a resolution of the Directors. |
| | 32. When any share is so declared to be forfeited notice of the forfeiture shall be given to holder of the share, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Member, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid. |

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| Forfeited shares to be property of the Company and may be sold etc. Effect of forfeiture | 33. Every share which shall be so declared forfeited shall thereupon by the property of the Forfeited Company and may be sold, re-alloted or otherwise disposed of either to the original holder thereof, or to any other person, upon such terms and in such manner as Board shall think fit. |
| | 36. The forfeiture of a share shall involve the extinction of all interest in, and also of all claims and demands against the Company in respect of the share, and all other rights incidental to the share, except only such of those rights as by these articles are expressly saved. |

TRANSFER AND TRANSMISSION OF SHARES

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| Register of Transfer | 43. The Company shall keep a book, to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share. |
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| Form of Transfer | 44. The shares in the Company shall be transferred by an instrument in writing and in such form as shall from time to time be prescribed under the relevant provisions of the Act or the rules made thereunder or any other provisions of law in that behalf. |
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	The Directors may from time to time alter or vary the form of such transfer but so as to comply with the provisions of law in that behalf. Shares of different classes shall not be included in the same instrument of transfer.
Application for transfer	48. (1) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee. (2) Where application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice. (3) For the purposes of sub-clause (2) above, notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

INCREASE, REDUCTION AND ALTERATION IN CAPITAL

Increase of Capital	59. The Company may from time to time by a special resolution passed in General Meeting increase its share Capital by the creation and issue of new shares of such amount as it thinks expedient. Subject to the provisions of the Act and these Articles, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting creating the same shall be directed and if no direction be given, as the Directors shall determine. Such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.
Right of equality share holders to further issue of capital	60. Subject to the provisions of Section 81 and other applicable provisions (if any) of the act, where it is proposed to increase the subscribed capital of the Company by the issue of new shares, the subject to any directions to the contrary which may be given by the Company in General Meeting and subject only to those direction :- (a) Such new shares shall be offered to the persons who at the date of the offer, are holders of equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at the date; (b) The offer aforesaid shall be made by notice specifying the number of Shares offered and limiting a time not being less than fifteen days from The date of the offer, if not accepted, will be deemed to have been declined; (c) The offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in sub-clause (b) shall contain a statement of this right; but so that the person in whose favour any such shares may be renounced shall be such as the Directors may in their absolute discretion approve of, and in case the Directors may not so approve of any such person, the renunciation of any such share in his favour shall not take effect. (d) After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the company;
Right/ Bonus	(e) Where any instrument of Transfer of Shares has been delivered to the



shares pending transfer	Company for registration of the Transfer of such shares and the same has not been registered by the Company, it shall, notwithstanding anything contained in any other provisions of the Act, keep in abeyance in relation to such shares any offer of Rights shares under clause (a) of Sub-section (i) of Section 81 of the Act, and any issue of fully paid-up Bonus shares in pursuance of sub-section (3) of Section 205 of the Act.
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BORROWING POWERS

Power to borrow	68	Subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have power from time to time at their discretion to accept deposits from members of the Company either in advance of calls or otherwise and generally to raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company; Provided that the aggregate of the amount raised borrowed or secured at any time together with the money already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) and remaining outstanding and undischarged at that time shall not without the consent of the the company in General Meeting exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose.
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Bonds, debentures etc. to be subject to control of Board	70.	Any bond, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
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Mortgage of uncalled capital	73	If an uncalled capital of the Company is included in or charged by any mortgage or other security by the Directors, the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed or if permitted by the Act, may by instrument under the seal, authorize the person in whose favour such mortgage or security is executed or any other person in trust for him, to receive monies on calls on the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall mutatis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors’ powers or otherwise and shall be assignable if expressed so to be.
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GENERAL MEETINGS

Statutory Meeting	76.	The Statutory meeting of the Company shall be held at such place and time (being not less than one month nor more than six months from the date on which the Company is entitled to commence business) as the Directors may determine, and in connection therewith, the Directors shall comply with the provisions of Section 165 of the Act.
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CONVENING GENERAL MEETING

Annual General Meeting	77.	(1) The Company shall, in addition to any other meetings, hold a General Meeting (herein called as “Annual General Meeting”) at the intervals and in accordance with the provisions herein specified. The Company shall hold its first Annual General Meeting within eighteen months from the date of the incorporation of the Company and if such General Meeting is held within that period it shall not be necessary for the Company to hold an Annual General Meeting in the year of its incorporation or in the following years, but subject to the aforesaid provisions the Annual General Meetings shall be so held at least once in every calendar year and/or within six months after the expiry of such financial year and not more than fifteen months shall elapse between the date of one Annual General
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		Meeting and the next; Provided however that if the Registrar of Companies shall have, for any special reason, extended the time within which any Annual General Meeting shall be held by a further period not exceeding three months, the Annual General Meeting may be held within the additional time fixed by the Registrar.
		(2) Every Annual General Meeting shall be called for time being during business hours and on such day (not being a public holiday) as the Directors may from time to time determine and it shall be held either at the Registered Office of the Company or at such other place within the city, tow or village in which the Registered Office of the Company is situated. The Company may by a resolution passed at one Annual General Meeting, fix the time for its subsequent Annual General Meeting. The notice calling the meeting shall specify it as the Annual General Meeting.
Extraordin ary General Meeting	78.	All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
Directors may call Extraordin ary General Meeting	79.	The Board of Directors may call an Extra-ordinary General Meeting whenever they think fit.
Calling of Extraordin ary General Meeting on requisition	80.	(1) The Board of Directors shall, on the requisition of such number of members of the Company as hold in regard to any matter at the date of deposit of the requisition, not less than one-tenth of such of the paid-up capital of the Company upon which all calls or other moneys then due have been paid as at that date carries the right of voting in regard to the matter, forthwith proceed duly to call an Extra-ordinary General Meeting of the Company and the provisions of Section 169 of the Act (including the provisions below) shall be applicable. (2) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the Registered Office of the Company. (3) The requisition may consist of several documents in like form, each signed by one or more requisitionists. (4) Where two or more distinct matters are specified in the requisition, the provisions of clause (1) above shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled. (5) If the Board of Directors does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition , the meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid up share capital of the Company as referred to in clause (1) above whichever is less. (6) A meeting called under clause (5) above by the requisitionists or any of them shall be called in the same manner, as nearly as possible, as that in which meeting are to be called by the Board, but shall not be held after the expiration of three months from the deposit of the requisition. (7) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any

sums due or to become due from the Company by way of fees or other remuneration, for their services, of the Directors as were in default.

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| Notice of Meeting | <p>81. (1) A General Meeting of the Company may be calling by giving not less than 21 days notice in writing.</p> <p>(2) However a General Meeting may be called after giving shorter notice than 21 days, if the consent is accorded thereto :</p> <p style="padding-left: 40px;">(i) in the case of Annual General Meeting by all the members entitle3d to vote thereon; and</p> <p style="padding-left: 40px;">(ii) in the case of any other meeting, by members of the Company holding not less than 95% of such part of the paid-up share capital of the Company as given a right to vote at that meeting.</p> |
| Special Business | <p>83. (1) In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special, with the exception of business relating to :</p> <p style="padding-left: 40px;">(i) the consideration of the Accounts, Balance Sheet and Profit and loss Account and the Report of the Board and the Auditors;</p> <p style="padding-left: 40px;">(ii) the declaration of dividend;</p> <p style="padding-left: 40px;">(iii) the appointment of Directors in the place of those retiring.</p> <p style="padding-left: 40px;">(iv) The appointment of and the fixing of the remuneration of the Auditors.</p> <p>(2) In the case of any other meeting all business shall be deemed special.</p> <p>(3) Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out material facts concerning such item of business including in particular, the nature of the concern or interest if any, therein of every Director and of the Manager. Provided that where any item of special business as aforesaid to be transacted at a Meeting of the company relates to, or affects any other company, the extent of shareholding interest in that other company of every Director and Manager of the Company shall also be set out in the explanatory statement, if the extent of such shareholding interest is not less than 20 percent of the paid-up share capital of the Company.</p> <p>(4) Where any item of business to be transacted at the meeting of the Company consists of according the approval of the meeting to any documents, the time and place where the document can be inspected shall be specified in the explanatory statement.</p> |

PROCEEDINGS AT GENERAL MEETING

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| Quorum of General meeting | <p>88. At least five members entitled to vote and present in person shall be a quorum for a General Meeting. No business shall be transacted at any General Meeting unless the quorum requisite be present at the commencement of the business.</p> |
| Inspection of minute books of General Meeting | <p>105. The Book containing the minutes of the General Meeting of the Company shall be kept at the office of the Company and be open during business hours to the inspection of any member without charge subject to such reasonable restrictions as the Company may by these Articles or in General Meeting impose in accordance with section 196 of the Act. Any member shall be entitled to be furnished within the period prescribed by the Act after he has made a request in that behalf to the Company with a copy of the minutes referred to on payment of such sum as may be prescribed by the Act.</p> |

VOTE OF MEMBERS

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| Votes may be given by proxy or attorney | <p>107. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate also be a representative duly authorized under Section 187 of the Act and Article 110.</p> |
| No member to vote unless | <p>110. Subject to the provisions of the Act, no member shall be entitled to be present or to vote at any General Meeting either personally by proxy or attorney or be reckoned in a quorum or to exercise any other privilege a member unless all calls or other</p> |

unless calls are paid up		sums presently payable by him in respect of shares in the Company has been paid.
Proxies	114.	(1) Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote on a poll instead of himself; but proxy so appointed shall not have any right to speak at the meeting. (2) Every proxy shall be appointed by an instrument in writing signed by the appointed or his attorney duly authorized in writing or, if the appointer is a body corporate, be under its Seal or be signed by an officer or an attorney duly authorized by it.
Appointment of Additional Director	128.	Subject to the provisions of Section 260 and other applicable provisions, if any, of the Act, the Directors shall have power at any time from time to time, to appoint a person as an additional Director. The Additional Director shall hold office only upto the next following Annual General Meeting of the Company held next after the date of his appointment but shall be eligible for re-appointment as Director by the Company at that meeting.
Remuneration Of Directors	130.	(1) The remuneration of a Director or his services shall be the sum equivalent to the maximum permissible amount under Section 310 of the Act for each meeting of the Board or of the Committee of the Board attended by him or such lesser amount as the Directors may agree to accept from time to time, subject to the limitation provided by the Act, additional remuneration as may be fixed by the Directors may be paid to any one or more of the Directors for services rendered by him or them by way of salary, commission, fees or any other benefit or amenity subject to the provisions of the Act. (2) The Board of Directors may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board are held and who shall come to the place for the purpose of attending a meeting, such sum as the Board may consider fair compensation for his traveling, boarding, lodging and other expenses in addition to his fees for attending such meeting as above specified. (3) Subject to the limitations provided by the Company and these Articles, if any Director shall be called upon to for or reside out of his usual place of residence on the Company's business or otherwise perform extra services outside the scope of his ordinary duties, the Board may arrange with such Director for such special remuneration for such services, either by way of salary, commission of the payment of such sum of money as they shall think fit, in addition to or in the substitution of his remuneration above provided and all the Directors shall be entitled to be paid or reimbursed or repaid any traveling or other expenses incurred or to be in connection with the business of the Company.
Loans to Directors	139.	The Company shall observe the restrictions imposed on the Company in regard to grant of loans to Directors and other persons as provided in Section 295 and other applicable provisions (if any) of the Act.
Board Resolution necessary for certain contracts	140.	(1) Except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is a partner any other partner in such firm, private company which the Director is a member or director shall not enter into any contract with the Company (a) for the sale, purchase or supply of any goods, materials or services, or (b) for underwriting the subscription of any shares in , or debentures of the Company. (2) Nothing contained in the foregoing sub-clause (1) shall affect : (a) the purchase of goods and materials from the company or the sale of goods and materials to the Company, by any Director, relative, firm partner or private company as aforesaid for cash at prevailing market prices; or (b) any contract or contracts between the Company on the one side and any



Director, relative firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company as the case may be, regularly trade or does business.

- (3) Provided that such contract or contracts do not relate to goods and materials the value of which, or services the cost of which exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.
- (4) Notwithstanding anything contained in the foregoing sub-clauses (1) and (2) a Director, Relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity enter, without obtaining the consent of the Board into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of goods or cost of such services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.
- (5) Every consent of the Board required under this clause shall be accorded by a Resolution passed at a meeting of the Board and not otherwise; and the consent of the Board required under sub-clause (1) above shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.
- (6) If consent is not accorded to any contract under this clause, anything done in purchases name of the contract shall be voidable at the option of the Board.
- (7) The Directors so contracting or being so interested shall not be liable to the Company for profit realized by any such contract or the fiduciary relations thereby established.

POWER OF DIRECTORS

General Powers of the Directors

- 165. (1) Subject to the provisions of the Act and these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; Provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other Act or by the Memorandum of these Articles or otherwise, to be exercised or done by the Company in General Meeting; Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or in any regulations not inconsistent therewith duly made there under including regulations made by the Company in General Meeting.
- (2) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

INTEREST OUT OF CAPITAL

Payment of interest capital

- 178. Where any shares are issued for the purpose of raising money to defray expense of the construction of any works or buildings, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same capital as part of the cost of construction of the work or building or the provisions of plant.

DIVIDENDS

Division of Profits

- 179. The profit of the Company, subject to any special rights if any relating thereto created or authorized to be created by the Memorandum or these Articles and

		subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively. Provided always that (subject as aforesaid) any capital paid up on a share during the period in respect of which a dividend shall, unless the Board otherwise determine, only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.
Dividends in proportion to amount paid up Interim Dividend	181.	The Company may pay dividends in proportion to the amount paid up or credited as paid up on each share, where a large amount is paid up or credited as paid up on some shares than on others.
	183.	Subject to the provisions of the Act, the Directors may from time to time pay to members on account of the next forthcoming dividend such interim dividends as their judgment of the position of the Company justifies.
How document is to be served on members	205	(1) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, proceeds, order, judgement or any other documents in relation to or in the winding up of the Company) may be served or sent by the Company on or to any member either personally or by sending it by post to him at his registered address, if any, supplied by him to the Company for the giving of notice to him. (2) When a document is sent by post, service thereof shall be deemed to be effected :- (a) by properly addressing, prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that document should be sent to him under a certificate of posting or by registered post with our without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing such service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and (b) such service shall be deemed to have been effected : (i) in the case of a notice of a meeting at the expiration of forty-eight hours after the letter consisting the notice is posted, to any place in India and one hundred and twenty hours after such letter is posted by air mail to any place outside India. (ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.
Persons entitled to notice of General Meetings	208	Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given : (i) to members of the Company as provided by Article 85 in any manner authorized by Article 209 or 210 as the case may be or as authorized by the Act; (ii) to the persons entitled to a share in consequence of the death or insolvency of a member as provided by Article 211 or as authorized by the Act; (iii) to the Auditors for the time being of the Company in any manner authorized by Article 209 of the Act
		WINDING UP
Distribution of documents	214	If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the members in proportion to the Capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up, the assets available for distribution among the members shall be more than sufficient to re-pay the whole of the Capital paid up at

the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid on the share held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Rights of
shareholders

216. A Special Resolution sanctioning a sale to any other company duly passed pursuant to Section 494 of the Act, may subject to the provisions of the Act, in like manner as aforesaid determine that any share or other consideration receivable by the liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and subsequential rights conferred by the said Section.

SECRECY CLAUSE

Secrecy
Clause

217. (a) Every Director, manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall if so required by the Directors before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by Directors or by law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or the Managing Director or to require discovery of any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Director, it will be inexpedient in the interest of the members of the Company to communicate to the public.

INDEMNITY OF RESPONSIBILITY

Director's
and other
rights to
indemnity

218. Save and except so far as the provisions of this Article shall be avoided by Section 201 of the Act, the Directors, Managers, Managing Directors, Deputy Managing Directors, Auditors, Secretary or other officers or servants for the time being and the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and everyone of them and everyone of their heirs, executors and administrators shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them or any of their executors or administrators shall or may incur or sustain by or by reasons of any act done concurred in or omitted in or about the execution of their duty in their respective offices or trusts except such if any, as they shall incur or sustain through or by their own willful neglect or default of the other or others of them or for joining in any receipt for the sake of conformity or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody or for the insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out or invested or for any other loss, misfortune or damage may happen in the execution of their respective office or trusts or in relation thereto, except the same shall happen by or through their own willful neglect or default respectively.

D. MATERIAL CONTRACTS AND DOCUMENTS

The following contracts mentioned in Para A below (not being contracts entered into the ordinary course of business carried on by BOL) are or may be deemed to be material contracts. Copies of these contracts along with documents referred to in Para (8) below have been attached to the copy of this Prospectus delivered to the Registrar o/Companies, West Bengal for registration and may be inspected at the Registered Office of BOL between 11.00 AM and 1.00 PM on any working day until the closing of the Issue.

A) MATERIAL CONTRACTS

1. Copy of Memorandums of Understanding signed with M/s Canara Bank, Corporate Merchant Banking Division, Head Office, Bangalore, Lead Manager to the Issue dated 15th December, 2004.
2. Copy of Memorandum of Understanding signed with M/s. Maheshwari Datamatics (P) Ltd, Kolkata Registrars to the issue dated 16th December, 2004.
3. Agreement dated 23.04.2001 between BOL, M/s. Maheshwari Datamatics (P) Ltd, Kolkata Registrar and National Securities Depository Limited and dated 30.03.2001 between BOL, M/s. Maheshwari Datamatics (P) Ltd, Kolkata Registrar and Central Depository Services (India) Limited for dematerialization of shares.
- 4) Copy of Joint Deed of Hypothecation dated 15.10.2004 in favour of State Bank of India

(B) DOCUMENTS FOR INSPECTION:

1. Memorandum and Articles of BOL as amended up to date.
2. Certificate of Incorporation of BOL dated 04.03.1993.
3. Resolution passed under Section 81 (1 A) of the Act, at the AGM of the Company held on 6/09/2004
4. Consents from the Directors, Compliance Officer, Auditor, Lead Manager, Registrar and Bankers to the Issue (to be taken) and Bankers to the Company, to act in their respective capacities.
5. Auditors Report dated and letter dated 17th December, 2004 from M/s Price Waterhouse, Chartered Accountant, certifying the availability of tax benefits as mentioned in this Prospectus.
6. Copies of the Annual Accounts of the last 5 accounting years of the Company and as on 6 months ended 30/09/2004.
7. Copies of initial listing application made to the Stock Exchanges Mumbai (BSE), Kolkata Stock Exchange (NSE), Cochin Stock Exchange and Coimbatore Stock Exchange dated 17th December, 2004 respectively.
8. Letters from Stock Exchange, Mumbai, Kolkata Stock Exchange, Cochin and Coimbatore Stock Exchanges for permission to use their names in the Prospectus.
9. SEBI Observations letter No. ----- dated----- of this Prospectus.
10. Copy of Export House Certification by Ministry of Commerce & Industry, Govt. of India valid till 31.03.2007.
11. Copy of Membership Certificate of Federation of Indian Export Organisation valid till 31.03.2007
12. Copy of Det Norske Veritas Management System Certificate No.00182-2003-AQ-CAL-RvA for Quality Management System.
13. Copy of Sanction letter No. OBK / CW/ BOL/ 298 dated 12th October 2004 of State Bank Of India, Overseas Branch, Kolkata for sanctioning Term Loan and Working Capital Limits.
14. Copy of certificate dated 17th December, 2004 issued by M/s Price Waterhouse, Kolkata, Chartered Accountant & Statutory Auditors of the Company reporting financials of BOL in terms of part II schedule II of the Companies Act , 1956 as on 31st March for the years from 2000 to 2004 & for period ended 30/09/2004 including capitalization statement , taxation statement, accounting ratios, details of sources and deployment of funds upto 30/09/2004 and detailed tax benefits accruing to the Company and shareholders
15. Copies of undertakings from BOL.

**PART III
DECLARATION**

We declare that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956 and rules there under. We, the directors of BOL declare and confirm that no information / material likely to have a bearing on the decision of the investors in respect of the equity shares offered in terms of the prospectus has been suppressed/withheld and/or incorporated in the manner that would amount to misstatement /misrepresentation and in the event of it transpiring at any point of time till allotment/refund as the case may be that any information / material has been suppressed/ withheld and or amounts to misstatement /misrepresentation we undertake to refund the entire application money to all the subscribers within seven days thereafter without prejudice to the provisions of the section 63 of the Act The Issuer accepts no responsibility for statements made otherwise than in the Prospectus or in the advertisements or any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his/ her own risk

Signed by the all Directors:

Mr. B. P. Singh, Chairman & Managing Director

Mr. Ravi Singh, Vice-Chairman

Ms. Rajinie Singh, Dy. Managing Director
(by constituted Power of Attorney Mr. Ravi Singh)

Mr. Firoze Jal Kapadia, Director Finance

Dr. R. Srinivasan, Director
(by constituted Power of Attorney Mr. B. P. Singh)

Ms. Lila Poonawalla, Director
(by constituted Power of Attorney Mr. B. P. Singh)

Mr. Arabinda Bose, Director

Mr. Harish Parekh, Director

Mr. Sajjan Bagaria, Director

Ms. Usha Singh, Director

Mr. S. K. Jain

Place: KOLKATA
DATE: 17th December, 2004