

TEESTA AGRO INDUSTRIES LIMITED



13TH
ANNUAL REPORT
AND ACCOUNTS
1999



BOARD OF DIRECTORS

Chairman-Cum-Managing Director

Sri Hardev Singh

Directors

Smt. Joginder Kaur

Sri B. M. Sharma

Sri R. C. Wadhwa

Sri Inderdeep Singh

Sri A. K. De Nominee of IDBI

Secretary

Sri J. Tiwari

Auditors

Price Waterhouse

Bankers

State Bank of India

Allahabad Bank

Union Bank of India

Corporate Office

63/1/2, Sarat Bost Road

Calcutta - 700 025

Registered Office & Works

Rajganj, Jalpaiguri, West Bengal

Share Registrar

P.C.S. Industries limited

P-93/A & 93/B,

C.I.T. Road, Scheme - VI M,

Calcutta - 700 054



NOTICE

Notice is hereby given that the Thirteenth Annual General meeting of Teesta Agro Industries Limited will be held at the Registered Office of the Company at Mazabari, Rajganj, Jalpaiguri, West Bengal on Friday, the 24th December, 1999 at 10 A.M. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors there on.
2. To appoint a Director in place of Mr. B. M. Sharma who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Joginder Kaur who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to pass with or without modification (s), the following resolution as an ordinary resolution :-

"RESOLVED that M/s. Mantry & Associates, Chartered Accountants, Siliguri be and are hereby appointed Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company including the terms of payment."

SPECIAL BUSINESS

5. Re-appointment of Mr. Hardev Singh as Managing Director.

To Consider and if thought fit, to pass with or without modification, the following resolution as ordinary Resolution.

"RESOLVED that in accordance with the Provisions of Sections 269, 309, 311 and other applicable provisions of the Companies Act, 1956, if any, the Company hereby accords its approval to the re-appointment of Mr. Hardev Singh as the Managing Director of the Company for a period of 5 (five) years with effect from 9th day of August, 1999 upon the terms and conditions set out in the draft letter submitted to this meeting and for identification where of signed by the Chairman which is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Directors and Mr. Hardev Singh."

"RESOLVED FURTHER THAT Mr. Hardev Singh, as the managing Director of the Company shall carry on such duties as may be entrusted to him from time to time by the Board of Directors and subject to its supervision and control of the Board of Directors."

6. To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution.



TEESTA AGRO INDUSTRIES LIMITED

"Resolved that the share holders hereby extend their whole hearted faith and confidence on the present management of the Company for carrying out such duties to contest the suit filed by IDBI before the Debt Recovery Tribunal, Calcutta."

Registered Office :

Mazabari, Rajganj,

Jalpaiguri, West Bengal

Date : The 25th November, 1999

By the Order of the Board

J. Tiwari

Company Secretary

NOTES :

1. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is enclosed.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxies in order to be effective must be received at the Registered office of the Company not less than 48 hours before the meeting.
3. M/s. Price Waterhouse, the Statutory Auditors of the Company have expressed their unwillingness to be re-appointed, vide their letter of 4th November, 1999.

The Company has received a Notice in writing from a member of the Company under section 225 of the Companies' Act, 1956 read with section 190 of the said Act expressing his intention to propose the name of M/s. Mantry & Associates, Chartered Accountants, Siliguri as the Statutory Auditors of the Company at the forth coming Annual General Meeting of the members of the Company. The Company has received confirmation in writing from M/s. Mantry & Associates, Chartered Accountants, Siliguri under section 224 (1) (B) of the Companies Act, 1956 that their appointment, if made at the forth coming Annual General Meeting would be within the limits set out under above referred section.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from 21st December, 1999 to 24th December, 1999 both days inclusive.
5. Members are requested to notify immediately any change in their address to the Company's Registered Office or to the Company's Registrar M/s. P.C.S. Industries Limited.
6. Members are requested to take up correspondences in the matter of Shares of the Company directly with the Registrar at the following Address :

PCS Industries Limited

Unit : Teesta Agro Industries Ltd.

P 93/A & 93/B,

C.I.T. Road,

Scheme VI M,

Calcutta - 700 054



TEESTA AGRO INDUSTRIES LIMITED

Explanatory statement as required under section 173(2) of the Companies Act, 1956.

ITEM No. : 5

As the Present term of Mr. Hardev Singh, Managing Director of the Company expired on the 8th August, 1999, the Board of Directors at its meeting held on 30th July, 1999 had, subject to the approval of the share holders of the Company, re-appointed Mr. Hardev Singh as the Managing Director of the Company on the following terms and conditions :-

1. Date of re-appointment : 9th Day of August, 1999
2. Term of Office : 5 years
3. Remuneration/Commission/Perquisite :

The quantum of remuneration and the date of payment there of will be decided by the Board of Directors subject, however, to the provisions of Schedule XIII to the Companies Act, 1956.

4. Duties : Mr. Hardev Singh Shall carry out such duties as may be entrusted to him by the Board of Directors subject to its supervision and Control.

Mr. Hardev Singh is the Prime Architect of this Company. He is a top level manager with vast experience in Fertiliser Industry, and possesses know-how of SSP industry. The exigencies and the present condition of the business demand his reappointment. Since his appointment as managing director, the Company has been gainging market of its products within West Bengal and North Eastern States.

The proposed re-appointment of Mr. Hardev Singh is made in fulfilment of the terms and conditions as set out in schedule XIII to the companies Act, 1956 and so, it does not require the approval of the Government of India.

The above may be treated as abstract under section 302 of the Companies Act, 1956.

The Directors recommend this resolution for approval of the shareholders. None of the Directors of the Company except Mr. Hardev Singh and Mrs. Joginder Kaur is interested in the proposal.

Item No. : 6

As stated in the Directors' Report the BIFR declared the company as sick and appointed IDBI as operating Agency to examine the viability and formulate a revival scheme. In the meanwhile IDBI had filed a case with the Debt Recovery Tribunal, Calcutta to recover their dues.

The approval of the share holders authorising the Board of Directors to take necessary steps to defend the case in the interest of the Company and the members is sought for your consideration.

Registered Office :
Mazabari, Rajganj,
Jalpaiguri, West Bengal

Date : The 25th November, 1999

By the Order of the Board
J. Tiwari
Company Secretary

**DIRECTORS' REPORT****TO THE MEMBERS OF TEESTA AGRO INDUSTRIES LIMITED**

Your Directors take pleasure in presenting the Thirteenth Annual Report of the Company together with Audited Statement of Accounts for the year ended 31st March, 1999.

01. FINANCIAL RESULTS

	Current Year	Previous Year
	Rs. Lacs.	Rs. lacs.
Total turnover & other receipts	4156.29	3380.11
Operating Profit before interest, depreciation and other non cash expenses	126.38	114.93
Less : Interest on Loan	44.11	490.40
Cash Profit/Loss	82.27	(375.47)
Less : Depreciation and other noncash Expenses	101.44	91.34
Profit for the year	(19.17)	(466.81)
Provision for taxation	(0.37)	-
Profit after tax	(19.54)	-
Add : Profit brought forward from Previous Year	(506.15)	(39.34)
Surplus carried forward to next year	(525.69)	(506.15)

02. DIVIDEND

The Directors are not in a position to recommend any dividend in view of the accumulated losses of your company for the period ending 31st March, 1999.

03. OPERATION

During the year under report the aggregate S.S.P. sale of the Company recorded an all time high of 1,31,423 M.T. registering an increase of almost 16% over the sales achieved in the previous year. Sulphuric Acid production had also gone up by 30% as compared to the last year. This could be made possible because of this year's expansion programme of the Sulphuric Acid Plant capacity, whose rated capacity were increased from 33000 MT to 49500 MT per annum. In spite of higher production and sales of your company during the year, your company was not in a position to shrug off from the impasse because of the abolition of Retention Price System (RPS), subsequent introduction of inadequate and disproportionate Rebated Subsidy System, disparity in the pricing of DAP and SSP fertilizer on account of disproportionate Subsidy of SSP/DAP, Import ban of GSSP/SSP imposed by Bangladesh Government, absence of need based Cash Credit Facility from the Bankers, the ever increasing interest burden payable to the financial institutions and the overall uncertain & unfavourable Govt. Policies.



04. REHABILITATION SCHEME

Because of continued deterioration of its financial position for aforesaid reasons since 1996, your company has ultimately incurred an accumulated loss of Rs. 525.69 lakhs, which exceeds its networth of Rs. 455 lakhs and as indicated in the last year's Report, your Directors keeping in view the overall interest of all concerned, have made a reference to the Board for Industrial and Financial Reconstruction (BIFR) in pursuance to the provisions of section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA).

The BIFR vide their order dated 11th June, 1999 has notified your company as a Sick Industrial Company in term of Section 3 (1) (i) of the said Act and appointed IDBI as the operating agency for examining the viability and formulate a rehabilitation scheme for its revival. Since then your Director's have submitted a Rehabilitation Scheme to the operating agency for their examination.

IDBI had filed a case with the Debt Recovery Tribunal, Calcutta to recover their outstanding dues, which is sub judice.

0.5 CURRENT PROSPECTS

Notwithstanding the reference of your company to BIFR, your Directors are sparing no efforts in all areas of the operation of the company for better utilisation of the resources. In spite of the ban of import of SSP by Bangladesh Govt. your company has succeeded in annexing new market regions like Bihar, North Eastern States to its existing marketing set up. All round efforts are in the anvil to ensure optimum utilisation of all the means available at the Company's disposal.

0.6 EXPORT

The Company had earned a foreign exchange to the tune of Rs. 692.86 lakhs as against Rs. 586.69 Lakhs of the previous year, from its export proceeds.

0.7 DIRECTORS

Mr. B. M. Sharma and Mrs. Joginder Kaur retire by rotation at the forth coming Annual General Meeting and being eligible offer himself/herself for reappointment. Industrial Development Bank of India (IDBI) had withdrawn its nominee Director from the Company's Board of Directors with effect from 23rd August, 1999.

0.8 EMPLOYEES

Your Company's faith and practice in Human Resource Development (HRD) has ensured a perfect man-management relation and congenial Industrial relation atmosphere in the company and your Directors appreciate the continued efforts at all levels for the growth of the Company.

No employee of the company is covered under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975.

**0.9 YEAR 2000 COMPLIANCE**

Your Directors are pleased to mention that your company will become fully year 2000 compliant by middle of December, 1999. The cost of such compliance is being negligible.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT

The Company has taken necessary steps to minimise power consumption, conservation and proper utilisation of power. The Company has installed one 750 KVA Auto Voltage Regulator during the year the year for these purpose.

11. AUDITORS

M/s. Price Waterhouse, Chartered Accountants, Calcutta Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting.

However they have expressed their unwillingness to be re-appointed, vide their letter of 4th November, 1999.

The Company has received a Notice in writing from a member of the Company under section 225 of the Companies' Act, 1956 read with section 190 of the said Act expressing his intention to propose the name of M/s. Mantry & Associates, Chartered Accountants, Siliguri/ as the Statutory Auditors of the Company at the forth coming Annual General Meeting of the members of the Company. The Company has received confirmation in writing from M/s. Mantry & Associates, Chartered Accountants, Siliguri under section 224 (1) (B) of the Companies' Act, 1956 that their appointment, if made at the forth coming Annual General Meeting would be within the limits set out under above referred section.

12. FINANCE AND ACCOUNTS

The observation in Auditor's Report read with notes of Accounts are self explanatory.

13. APPRECIATION

Your Directors place on record their appreciation for the valuable co-operation and support extended by the Customers, Share-holders, Financial Institutions, Banks, Central Government, Govt. of West Bengal, Assam & Meghalaya and all these who are associated with the Company.

For and on Behalf of the Board of Directors

Registered Office :
Mazabari, Rajganj,
Jalpaiguri, West Bengal

Date : The 25th November, 1999

(Hardev Singh)
Chairman-cum-Managing Director



TEESTA AGRO INDUSTRIES LIMITED

ANNEXURE TO DIRECTORS' REPORT

FORM A

Disclosure of particulars with respect to Conservation of Energy

A. : Power & Fuel Consumption

		1999			1998		
		S.S.P.	G.S.S.P.	S.ACID	S.S.P.	G.S.S.P.	S.ACID
1. Electricity							
(a) Purchased Unit	000KWH	1524.091	Nil	736.441	1194.072	39.487	622.625
Total Amount	Rs. Lakh	55.50	Nil	27.34	46.74	1.46	24.83
Rate/Unit	Rs.	3.64	Nil	3.71	3.91	3.70	3.99
(b) Own Generation							
Unit	000 KWH	377.759	Nil	197.999	359.443	6.428	172.565
Unit per litre of Diesel Oil	KWH	3.34	Nil	3.34	3.49	3.00	3.67
Cost per Unit	Rs.	3.13	Nil	3.13	3.04	2.53	3.02
2. Coal		Not Applicable			Not Applicable		
3. (a) Furnace Oil, LDO and HSD	000 Ltrs.	735.638				212.065	
(b) Total Amount	Rs. lakh	55.66				27.68	
4. Other Internal generation		Not Applicable			Not Applicable		

B. Consumption per unit of production

	Electricity		F.Oil/LDO/HSD		Coal	
	(KWH/Tonne)		(Litres/Tonne)		(Litres/Tonne)	
	1999	1998	1999	1998	1999	1998
S.S.P.	11.54	10.97	4.00	2.82	N.A.	N.A.
S.Acid	21.18	20.24	0.17	1.74	N.A.	N.A.

Form B

Disclosure of particulars with respect of Technology Absorption Research & Development (R &D)

- Specific areas in which R&D carried by the Company Nil
- Benefits derived as a result of the above R & D Not applicable
- Future Plan of action Not Applicable
- Expenditure on R & D
 - Capital Nil
 - Recurring Nil
 - Total Nil
 - total R & D expenditure as a percentage of total turnover. Technology Absorption, Adaption and Innovation.
- Efforts in brief, made towards technology absorption, adaption and innovation : Not applicable
- Benefits derived as a result of the above effects : Not applicable

**AUDITORS' REPORT**

TO THE MEMBERS OF
TEESTA AGRO INDUSTRIES LIMITED

1. We report that we have audited the Balance Sheet of Teesta Agro Industries Limited as at 31st March, 1999 signed by us under reference to this report and the relative Profit and Loss Account for the year ended 31st March, 1999 which are in agreement with the books of account.
2. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Profit and Loss Account together with the notes thereon and attached thereto, give in the prescribed manner, subject to Note 11 on Schedule 14 regarding non-availability of particulars in respect of indebtedness to small scale industrial undertaking, the information required by the Companies Act, 1956 and subject to the below mentioned notes on Schedule 14 (with the corresponding effect, where applicable, on the year end net worth and the year's loss) also give respectively, a true and fair view of the state of the Company's affairs as at 31st March, 1999 and its loss for the year ended on that date.
 - 2.1 Note 2 regarding preparation of the accounts on a going concern basis.
 - 2.2 Note 4 regarding pending reconciliation of a Bank Account.
 - 2.3 Note 5 regarding non-provision of purchase tax and service tax (extent currently not ascertainable) for reason stated therein.
 - 2.4 Note 6 regarding non-provision of certain overdue debts and advances as indicated therein.
 - 2.5 Note 7 regarding non-provision of electricity charges as indicated therein with reason therefor.
 - 2.6 Note 8 regarding non-provision of Income Tax as indicated therein.
 - 2.7 Note 9 regarding non-provision of interest as indicated therein.
3. In our opinion, the aforesaid Profit and Loss Account and Balance Sheet, together with the notes thereon, have been prepared by the Company in compliance with the applicable accounting standards as referred to in Section 211 (3C) of the Companies Act, 1956, except as indicated in paragraphs 2.1 and 2.7 above.
4. Subject to aforesaid Note 11 on Schedule 14, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit. In our opinion, subject to aforesaid Note 2.7 proper books of account have been kept by the company, as required by law, so far as appears from our examination of the books.
5. Attention is drawn to Note 12 on Schedule 14 with regard to Year 2000 compliance, which is solely a Management responsibility. Audit is not intended, designed nor performed to identify or detect problems that may result from computer hardware, software or other automated processes' inability to properly process dates related to Year 2000.
6. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that :-



- 6.1 (a) The Company has maintained proper records (currently being updated) to show full particulars including quantitative details and situations of its fixed assets.
- (b) The fixed assets of the Company have been physically verified during the year by the Management and no material discrepancy between the book records and the physical inventory has been noticed.
- 6.2 The fixed assets of the Company have not been revalued during the year.
- 6.3 The stocks of finished goods, stores, spare parts, and raw materials (other than items in transit and with third parties) of the Company have been physically verified by the management at the year-end. The discrepancies between the physical stocks and book stocks were not material, and these have been properly dealt with in the books of account.
- 6.4 In our opinion, the procedures of physical verification of aforesaid stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- 6.5 In our opinion, the valuation of stocks of finished goods, stores, spare parts and raw materials have been fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- 6.6 In our opinion, the rate of interest (where applicable) and other terms and conditions of loan, secured or unsecured, taken by the Company during the year, from Companies, Firms and other parties (including interest free loan from Directors) listed in the Register maintained under Section 301 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company. As represented by the management there are no Companies under the same management as defined under Sub-section (1B) of Section 370 of the Companies Act, 1956.
- 6.7 The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As represented by the management there are no Companies under the same management as defined under Sub-section (1B) of Section 370 of the Companies Act, 1956.
- 6.8 Interest free advances in the nature of loans given to certain employees are generally being repaid as stipulated except for Rs. 0.42 lacs (Previous year Rs. 2.17 lacs) for which there are no stipulations as to the repayment/ adjustments and in respect of which, as explained by the management suitable steps are being taken for adjustment/recovery.
- 6.9 In our opinion, the Company's internal control procedures for purchase of raw materials including components, plant and machinery, equipment and other similar assets and sale of goods are generally commensurate with the size and nature of its business and such procedures of the Company relating to purchase of stores are being strengthened to make it commensurate with its size and nature of business of the Company.
- 6.10 In our opinion, the transactions of purchase of goods and materials and sale of goods made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party were made at prices which were reasonable having regard to prevalent market prices for such materials or the prices at which transactions for similar goods or materials were made with other parties. Except as above the Company has not



TEESTA AGRO INDUSTRIES LIMITED

purchased goods, materials and sold goods, materials and services aggregating Rs. 50,000 or more in value from / to any of the parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

The Company has not sold goods, materials and services aggregating Rs. 50,000 or more in value to any of the parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

- 6.11 (a) The Company has a system of determining unserviceable or damaged stores, raw material and finished goods on the basis of technical evaluation and on the afore-said basis, in our opinion, no write-off in the accounts for such stocks was considered necessary during the year.
- (b) In respect of trading activities, there are no damaged goods in possession of the Company as at 31st March, 1999.
- 6.12 The Company has not accepted and deposit from the public.
- 6.13 The Company does not have any realisable production scrap and accordingly no records thereof have been maintained. The Company has no by product.
- 6.14 In our opinion, the Company's internal audit system (a firm of Chartered Accountants having been appointed for the purpose) as conducted in a phased manner, is commensurate with its size and nature of business.
- 6.15 As explained to us and on the basis of the records produced, we are of the opinion that, prima facie, the cost records prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 have been maintained. However, we have not carried out any detailed examination of such records.
- 6.16 The Company has been regular in depositing Provident Fund dues with the concerned authorities during the year, though there were delays. As explained to us the Company is not required to recover Employees State Insurance dues from its employees.
- 6.17 As on 31st March, 1999 there were no amounts outstanding in respect of undisputed Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which were due for more than six months from the date they became payable.
- 6.18 During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses (other than contractual) which have been debited to Profit and Loss Account nor have we been informed of such case by the management.
- 6.19 As indicated in Note 2 on Schedule 14, the Company is a Sick Industrial Company within the meaning of Section 3(1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and reference has been made to the BIFR under Section 15 of the Act.

Calcutta,
the 25th November, 1999

S.K. Deb

Partner

For and on behalf of

PRICE WATERHOUSE

Chartered Accountants



TEESTA AGRO INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 1999

	Schedule	As at 31st March, 1999	(Rs in .000) As at 31st March, 1998
Sources of Funds			
Shareholder's Funds			
Share Capital	1	45,050	45,050
Loans Funds			
Secured Loans	2A	146,031	124,386
Unsecured Loans	2B	170,702	168,982
		<u>316,733</u>	<u>293,368</u>
		<u>361,783</u>	<u>338,418</u>
APPLICATIONS OF FUNDS			
Fixed Assets			
Gross Block	3	177,213	162,041
Less : Depreciation		53,134	43,402
Net Block		124,079	118,639
Capital Work-in-Progress		1,743	5,141
Current Assets, Loans and Advances			
Inventories	4	92,254	45,432
Sundry Debtors	5	144,361	151,123
Cash and Bank Balances	6	34,036	8,357
Other Current Assets	7	3,093	2,490
Loans and Advances	8	10,450	7,342
		<u>284,194</u>	<u>214,744</u>
Less : Current Liabilities and Provisions	9		
Liabilities	9A	100,972	51,213
Provisions	9B	632	553
		<u>101,604</u>	<u>51,766</u>
Net Current Assets		182,590	162,978
Miscellaneous Expenditure (to the extent not written off or adjusted)	10	802	1,045
Profit and Loss Account		52,569	50,615
		<u>361,783</u>	<u>338,418</u>
Notes on Accounts	14		
This is the Balance Sheet referred to in our report of even date		The Schedules referred to above form part of the Balance Sheet	

S.K. Deb

Partner

For and on behalf of

PRICE WATERHOUSE

Chartered Accountants

Calcutta, the 25th November, 1999

Hardev Singh

B.M. Sharma

J. Tiwari

Managing Director

Director

Company Secretary



TEESTA AGRO INDUSTRIES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 1999**

	Schedule	for the year ended 31st March, 1999	(Rs in .000) for the year ended 31st March, 1998
A. Income			
Sales (Including Rebate/Subsidy 89,380.)			
Previous Year 56,240)		413,524	336,958
Other Income	11	2,105	1,053
Closing Stock of Finished Goods		40,806	17,268
		<u>456,435</u>	<u>355,279</u>
B. Expenditure			
Opening Stock of Finished Goods		17,268	31,236
Finished Goods Purchased		14,079	13
Raw Materials Consumed	12	302,654	220,231
Consumption of Stores and Spares		24,947	21,438
Expenses	13	84,849	67,632
Depreciation		10,144	9,305
Interest (Including Nil for Term Loans, Previous year 45,736)			
(Note 9 on Schedule - 14)		4,411	49,040
		<u>458,352</u>	<u>398,895</u>
Profit/(Loss) before prior period items and Taxation		(1,917)	(43,616)
Prior period items			
Interest on Term Loan			
Provision for taxation (in respect of earlier year-Note 8 on Schedule 14)		(37)	(3,065)
Profit/ (Loss) after Taxation		(1,954)	(46,681)
Profit / (Loss) brought forward from previous year		(50,615)	(3,934)
Balance carried forward to Balance Sheet		<u>(52,569)</u>	<u>(50,615)</u>
Notes on Accounts	14	The Schedules referred to above form part of the Profit and Loss Account.	

Hardev Singh
B.M. Sharma
J. Tiwari

Managing Director
Director
Company Secretary



TEESTA AGRO INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 1999	(Rs in .000) As at 31st March, 1998
1. SHARE CAPITAL		
Authorised :		
1,00,00,000 Equity Shares of Rs. 10/- each	<u>100,000</u>	<u>100,000</u>
	<u>100,000</u>	<u>100,000</u>
Issued, Subscribed and paid up		
45,50,000 Equity Shares of Rs. 10/- each	<u>45,500</u>	<u>45,500</u>
Less : Allotment Money in Arrear	<u>(450)</u>	<u>(450)</u>
	<u>45,050</u>	<u>45,050</u>
2. Loan Funds		
A. Secured Loans		
Term Loan from Financial Institutions	<u>81,300</u>	<u>81,300</u>
Interest accrued and due on Term Loans	<u>44,520</u>	<u>42,479</u>
Secured by a first charge by way of hypothecation of all movable properties, (other than stocks and book debts) secured by joint Mortgage, in respect of Company's Land at Rajganj, Jalpaiguri together with all building structures standing thereon and all fixed Plant & Machinery both present and future in favour of the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI) and Industrial Credit and Investment Corporation of India (ICICI) by deposit of Company's Title Deeds with IDBI and personal guarantee of the Directors.		
Cash Credit with Banks		
(Secured, by hypothecation of the Company's entire Stocks, book debts and second charge on Fixed Assets)	<u>20,211</u>	<u>607</u>
(Cash credit limit 20,000)	<u>146,031</u>	<u>124,386</u>
B. Unsecured Loans		
From Directors	<u>1,703</u>	<u>8,403</u>
Short Term Loan from IDBI	<u>10,000</u>	<u>10,000</u>
Interest accrued and due on Term Loans and Short Term Loan (Including deferred interest 755, Previous year 755)	<u>113,167</u>	<u>114,278</u>
Deferred Sales tax	<u>45,832</u>	<u>36,301</u>
	<u>170,702</u>	<u>168,982</u>



TEESTA AGRO INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

3. Fixed Assets

(Rs. in '000)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as on 31.3.98	Additions During the year	Sale/Adj. During the year	Original Cost as on 31.3.99	Depreciation upto 31.3.98	For the year	Sale/Adj. During the year	Depreciation upto 31.3.99	As at 31st March, 1999	As at 31st March, 1998
Land (Freehold)	5,767	-	82	5,685	-	-	-	-	5,685	5,767
Buildings	49,903	7,246	-	57,149	6,448	1,729	-	8,177	48,972	43,455
Plant & Machinery	86,534	5,206	-	91,740	29,613	6,606	-	36,219	55,521	56,921
Electrical Installation	12,601	751	-	13,352	3,286	903	-	6,189	7,163	7,315
Furniture & Fixture	1,558	204	-	1,762	769	176	-	945	817	789
Office Equipment	1,030	236	-	1,266	637	179	-	816	450	393
Vehicles	4,648	3,104	1,493	6,259	649	551	412	788	5,471	3,999
(Note 3 (a) on Schedule 14)										
	162,041	16,747	1,575	177,213	43,402	10,144	412	53,134	124,079	118,639
Previous Year	149,267	13,753	979	162,041	34,758	9,305	661	43,402	118,639	

**TEESTA AGRO INDUSTRIES LIMITED****SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31st March, 1999	(Rs in .000) As at 31st March, 1998
4. INVENTORIES		
-At Cost		
Stores and Spares	7,040	3,837
Raw Materials	22,620	22,545
Raw Materials in Transit	21,788	1,782
-At lower of cost and net realisable value		
Finished Goods	40,806	17,262
	<u>92,254</u>	<u>45,432</u>
5. SUNDRY DEBTORS		
(Unsecured, considered good except as indicated below)		
Debts Outstanding for a period exceeding six months (including Doubtful Nil, Previous year 5,500) (Includes Subsidy/Rebate receivable from State Government 1,737, Previous year 15,552)	11,472	32,130
Other Debts (Includes Subsidy/Rebate receivable from State Government 48,748, Previous year 34,365)	132,889	124,493
	<u>144,361</u>	<u>156,623</u>
Less : Provision for Doubtful Debts	Nil	5,500
	<u>144,361</u>	<u>151,123</u>
6. CASH AND BANK BALANCES		
Cash in hand	112	65
Cheques in hand	.	2,000
Remittance in Transit	.	115
Balance with Scheduled Banks on :		
Current Accounts	317	1,383
Share Allotment Money Account	27	27
Refund Order Account (Note 4 on Schedule 14)	164	164
Fixed Deposit Account (Pledged with Banks - being Margin against Bank Guarantees, Letter of credits, etc.)	33,416	4,603
	<u>34,036</u>	<u>8,357</u>



TEESTA AGRO INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 1999	(Rs in .000) As at 31st March, 1998
7. OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Interest accrued on Fixed Deposit etc. with Banks	775	126
Duty Drawback Claims	331	163
Deposit with Government Authorities (Note 7 on Schedule 14)	1,276	1,247
Other Deposits	711	654
	<u>3,093</u>	<u>2,490</u>
8. LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
Advances against Capital Expenditure	337	519
Other Advances	7,590	6,716
Tax Deducted at Source	253	107
Income Tax paid under protest	2,270	-
	<u>10,450</u>	<u>7,342</u>
9. CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors (Note 3 on Schedule 14)	99,575	49,072
Advances from Customers	1,261	1,078
Advances against sale of Fixed Assets	136	136
Interest accrued but not due on Term Loans	-	927
	<u>100,972</u>	<u>51,213</u>
B. Provisions		
Employees' Benefits	632	553
	<u>632</u>	<u>553</u>
10. MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	40	54
Share Issue Expenses	762	991
	<u>802</u>	<u>1045</u>



TEESTA AGRO INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	For the year ended, 31.3.99	(Rs in .000) For the year ended, 31.3.98
11. OTHER INCOME		
Interest received from Bank	1,557	293
Duty Drawback	225	534
Sundry Receipt (Note 10 on Schedule 14)	323	139
Profit on Sale of Fixed Assets		87
	<u>2,105</u>	<u>1,053</u>
12. RAW MATERIALS CONSUMED		
Opening Stock	24,327	22,705
Purchase	296,917	202,117
Freight Inward	37,067	19,736
	<u>358,311</u>	<u>244,558</u>
Less : Sale of material*	11,249	-
Less : Closing Stock	44,408	24,327
	<u>302,654</u>	<u>220,231</u>
(*5500 m.t on the basis of High Sea sales)		
13. EXPENSES		
Salaries, Wages and Bonus	12,074	11,855
Contribution to Provident and other welfare funds	739	708
Staff Welfare	578	569
Insurance	613	668
Rent	1,369	2,667
Rates and Taxes	27	63
Power and Fuel	15,726	11,700
Repairs & Maintenance :		
Building	55	149
Plant and Machinery	12,137	8,176
Other	169	171
	<u>12,361</u>	<u>8,496</u>
Advertisement	252	278
Carriage Outward	17,092	14,105
Commission on sales	667	552
Miscellaneous Expenses	13,476	9,473
Loss on sale of Fixed Assets	522	-
Miscellaneous Expenditure written off :		
Preliminary Expenses	13	13
Share Issue Expenses	229	229
Deferred Revenue Expenditure	-	135
	<u>242</u>	<u>377</u>
Bad Debts	12864	
Less : Provision for Bad Debts	<u>5,500</u>	2,099
Advances written off	1,747	1,022
Provision for Doubtful Debts		3,000
	<u>84,849</u>	<u>67,632</u>

**14. NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED, 31ST MARCH, 1999**

(All figures in Rs. '000)

1. SIGNIFICANT ACCOUNTING POLICIES

- 1.1 Fixed Assets are valued at cost less depreciation.
- 1.2 Depreciation has been calculated on straight line method at applicable rates prescribed in Schedule XIV of the Companies Act, 1956.
- 1.3 Inventories of Stores and Spares and Raw Materials are valued at cost (on weighted average basis and FIFO basis respectively) and that of Finished Goods are valued at lower of cost (inclusive of appropriate overheads) and net realisable value.
- 1.4 Sales include subsidy/rebate receivable from State Government on Sale (Other than export) of Single Super Phosphate (S.S.P.), Granulated Single Super Phosphate (G.S.S.P.) and are net of dealers margin.
- 1.5 Preliminary Expenses are being written off over a period of ten years after commencement of commercial production.
Other items of Deferred Revenue Expenditure not directly incidental to the setting up of the plant are being written off proportionately in the accounts over a period of five years after commencement of commercial production.
- 1.6 Transactions in foreign currencies are reflected at rates at which transactions are settled or translated at applicable forward contract/year end rate and resultant transaction loss/gain [relating to current assets (monetary items)/liabilities, if any] is recognised as revenue.
- 1.7 Liabilities in respect of gratuity based on premium payable to LIC Group Gratuity Scheme has been provided for and leave encashment benefits payable to employees as per terms of employment as estimated by the management are recognised as revenue charge in the accounts.

2. Pursuant to an Order dated 11, June 1999 of the Board for Industrial and Financial Reconstruction (BIFR), the Company has been declared a sick company under Sick Industrial Companies (Special Provisions) Act (SICA), 1985 and appointed Industrial Development Bank of India (IDBI) as Operating Agency to examine the viability of the Company and submit a Rehabilitation Scheme for its revival. Further in terms of directives of BIFR the Company has submitted to IDBI its Rehabilitation Scheme for revival of its operation which is under consideration of IDBI. Accordingly these accounts have been prepared on the assumption that the Company is a going concern, although its year-end losses exceed its paid up Share Capital.

3. Sundry Creditors include :

- (a) Outstanding balance [original cost Rs. 4633 (Previous year Rs. 991)] of Rs. 2164 (Previous year Rs. 295) being Deferred Credits payable in respect of vehicles purchased under Hire Purchase Scheme.



TEESTA AGRO INDUSTRIES LIMITED

- (b) Temporary overdraft from Scheduled bank Rs. 51 (Previous year Rs. 202).
4. Refund Order Account of Rs. 164 (Previous year Rs. 164) (Schedule 6) represent amount which are yet to be reconciled with the related bank certificate/statement and Sundry Creditors for Rs. 71 (Previous year Rs. 71).
5. Purchase Tax and Service Tax, amounts currently not ascertainable, have not been accounted for as according to the Company these are not payable.
6. Sundry Debtors and advances(considered good) includes certain overdue debts/old advances aggregating to Rs. 6182 for which necessary steps are being taken for realisation and as such no provision there against is considered necessary in these accounts.
7. The Company has filed a writ application in the High Court of Calcutta against demand of Rs. 4100 made by West Bengal State Electricity Board (WBSEB) by way of unmetered consumption. The Calcutta High Court vide its order of 11.12.1996 has directed the Company to deposit a sum of Rs. 1000 (included under year end advance) and the matter is subjudice. Pending final disposal of writ application no provision in this regard has been made in these accounts.
8. No provision has been made in these accounts in respect of Income Tax (including interest, etc.), liability not admitted by the Company amounting to Rs. 22323 on the basis of orders of Income Tax Authority. The Company has filed appeals for the Assessment Years 1993-94, Rs. 50 and 1997-98, Rs. 11348 and are taking necessary steps to file further appeals/petitions/revised retruns at appropriate levels as applicable.
9. Pending approval of the Rehabilitation Scheme referred to in Note 2 and in the absence of relevant demand notice no provision has been made in these accounts for interest (hitherto provided for on accrued basis) on loans from the Financial Institutions estimated to be in the region of Rs. 55785 with its corresponding effect on the year's results and year-end net worth.
10. Sundry receipts includes commission Rs. 275 on High Sea Sales paid by a Resident Company.
11. In absence of ready availability of information for identification of transactions with the Small Scale Industrial undertakings, particulars of indebtedness to them could not be furnished.
12. In the opinion of the management, the problem of Y2K will not vitiate the assumptions of going concern in view of the plan to make the Company Y2K compliant drawn up by the Company. The management has not come across any adverse features in this regard, which may have any material effect on the operation of the Company. The Cost of ensuring hardware and software compliance is estimated at Rs. 50
13. (a) Estimated amount of Capital Commitments net of advances as at 31st March, 1999 and not provided for is Rs. 200 (Previous Year Rs. 225)



TEESTA AGRO INDUSTRIES LIMITED

1998-99

1997-98

(b) Contingent liabilities

(Not provided for) in respect of :

-Letter of Credit	51971	24914
- Bank Guarantees Outstanding	1648	1548
-Sales Tax matter under dispute	13361	11145

14. In accordance with the Company's consistent practice, these accounts do not include the provision for Excise Duty in the region of Rs. 34 (Previous year Rs. 203) in respect of finished goods, which will become statutorily payable on subsequent clearance thereof.

15. (a) Sales includes Rs. 327 (Previous Year Rs. 1577) on account of foreign exchange gain.

(b) Consumption of raw materials includes foreign exchange (loss)/gain Rs. (1630) [Previous year Rs. (1988)].

16. Miscellaneous Expenses include :-

1998-99

1997-98

(a) Amount paid/payable to Auditors :

(i) Audit Fees 250 250

(ii) In other capacities :-

- Fees for Tax Audit - 35

- Certification Jobs 25 15

(iii) Expenses reimbursed 15 11

(b) Director's Fees 1 1

17. Information pursuant to the provisions of paragraphs 3,4 (c) and 4 (d) of Part II of Schedule VI to the Companies Act, 1956.

(a) The Company manufactures Single Super Phosphate (S.S.P), Granulated Single Super Phosphate (G.S.S.P) and Sulphuric Acid (S.A) and the relevant particulars thereof are as under :-

M.T.

M.T

(i) Installed Capacity (p.a)

(as certified by the Management)

S.S.P (on triple shift basis) 1,32,000.000 1,32,000.000

G.S.S.P 66,000.000 66,000.000

S.A. 49,500.000 33,000.000

(ii) Actual Production

*S.S.P. (Note below) 1,34,910.497 1,09,539.764

S.A. 44,110.358 30,754.704

G.S.S.P

The Company has achieved higher production than the installed capacity by efficient conversion of Raw Material and good resource management.



TEESTA AGRO INDUSTRIES LIMITED

		1998-99		1997-98	
		M.T.	Rs. ('000)	M.T.	Rs. ('000)
(iii)	Purchase of Sulphuric Acid - (for consumption only)	-	-	5215.555	13263
(iv)	Opening Stock of Finished products :-				
	S.S.P.	5945.629	16140	9401.765	23653
	S.A.	808.471	1127	1083.535	1597
	G.S.S.P.	-	-	2196.550	5986
v)	Purchase of S.S.P. (Packed)	4332.000	14079	-	-
vi)	Purchase of G.S.S.P. (Packed)	-	-	6,000	13
vii)	Closing Stock of Finished Products				
	S.S.P.	13765.426	40592	5945.629	16140
	S.A.	153.474	214	808.471	1127
viii)	Sales :-				
	S.S.P.	131422.700	410676	112995.900	328268
	S.A.	2081.635	2848	1731.045	2029
	G.S.S.P.	-	-	2202.550	6661
b)	Raw Materials consumed including purchase through Canalised agencies :-				
	Rock Phosphate	70135.681	241814	56625.479	165200
	Sulphuric Acid (Purchased)	-	-	5215.555	13263
	Sulphuric Acid	42683.720	-	34514.278	-
	Sulphur	14832.037	47675	10185.341	31139
	Gypsum	14298.275	13033	11903.745	10629
	Dolomite	282.330	132	-	-
c)	C.I.F value of Imported Raw Material without considering materials purchased through canalised agencies :-				
	Rock Phosphate	41200.000	96200	15000.000	34553
	Sulphur	5134.780	10079	1317.096	3080
d)	Value of Stores & Spares consumed (all indigenous)	-	24947	-	21438
		1998-99		1997-98	
		Rs. ('000)		Rs. ('000)	
18.	Earnings in Foreign Exchange on account of :				
	Export Goods Calculated on FOB basis		69286		58669
19.	Previous year's Figures have been re-arranged/re-grouped wherever necessary.				

Signature to Schedules 1 to 14

Calcutta, the 25th November, 1999

Hardev Singh
B.M. Sharma
J. Tiwari

Managing Director
Director
Company Secretary

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

(PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956 AS AMENDED)

I. Registration Details :

Registration No.	: 41245 of 1986	State Code	: 21
Balance Sheet Date	: 31st March, 1999	(All amounts in Rs. '000)	

II. Capital raised during the year :

Public Issue	: Nil	Rights issue	: Nil
Bonus Issue	: Nil	Private Placement	: Nil

III. Position of mobilisation and deployment of funds :

Total Liabilities	: 361783	Total Assets	: 361783
Source of Funds			
Paid-up Capital	: 45,050	Reserves & Surplus	: ———
Secured Loans	: 146031	Unsecured Loans	: 170702
Application of Funds			
Net Fixed Assets*	: 125822	Investments	: ———
Net Current Assets	: 182590	Miscellaneous	
Accumulated Losses	: 52569	Expenditure	: 802

* Includes 1743 towards capital work-in-progress

IV. Performance of Company

Turnover	: 456435	Total Expenditure	: 458352
(Including other Income)			
Profit/Loss Before Tax	: (1917)	Profit/(Loss)	
		After Tax	: (1954)
Earning Per Share	: ———	Divident Rate	: Note
			Applicable

V. Generic Names of Three Principal Products/Services of Company

Item Code No.	: 2,80,700.01
(ITC Code)	
Product Description	: Sulphuric Acid
Item Code No.	: 3,10,310.00
(ITC Code)	
Product Description	: Single Super Phosphate
Item Code No.	: 3,10,310.00
(ITC Code)	
Product Description	: Granulated Single Super Phosphate

Hardev Singh

B.M. Sharma

J. Tiwari

Managing Director

Director

Company Secretary



TEESTA AGRO INDUSTRIES LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 1999

		For the year ended 31.3.1999	(Rs in '000) For the year ended 31.3.1998
A. Cash Flow from Operating Activities :			
Net profit/(loss) before tax and Extraordinary Items		(1,917)	(46,681)
Adjustments for :			
Depreciation	10,144		9,305
Interest Charged (Net)	2,854		51,812
Deferred Revenue Expenditure	242		377
Loss/(Profit) on Sale of Assets	522		(87)
		13,762	61,407
Operating Profit before working Capital Changes :		11,845	14,726
Adjustments for :			
Trade and other receivables	3,700		(4,716)
Inventories	(46,822)		12,473
Trade Payables	50,765	7,643	7,587
			15,344
Cash Generated from Operations		19,488	30,070
Interest Paid		(4,403)	(12,106)
Direct Taxes Paid		(37)	-
		15,043	17,964
Extraordinary items			
Net Cash from operating activities		15,043	17,964
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets	(13,349)		(9,548)
Sale of Fixed Assets	642		405
Interest Received	908		268
Sale of Investments	-		12
Net Cash Used in Investing Activities		(11,799)	(8,863)
C. Cash Flow from Financing Activities :			
Proceeds from Share Capital	-		-
Proceeds from Borrowings	(6,700)		-
Increase in Cash credit and Deferred Sales Tax	29,135		(6,118)
Encashment of Refund Orders	-		-
Net cash used in Financing Activities		22,435	(6,118)
Net increase in Cash and Cash Equivalent			
(A+B+C)		25,679	2,983
Carried forward		25,679	2,983



TEESTA AGRO INDUSTRIES LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 1999

			(Rs. in '000)	
		For the	For the	
		year ended	year ended	
		31.3.1999	31.3.1998	
Brought forward		25,679	2,983	
Cash and Cash Equivalent at 01/04/98 (Opening Balance)	8,357		5,374	
Cash and Cash Equivalent at 31/03/99 (Closing Balance)	<u>34,036</u>	25,679	<u>8,357</u>	2,983

Note : In the opinion of the management, the problem of Y2K will not vitiate the assumptions of going concern in view of the plan to make the company Y2K compliant drawn up by the Company. The management has not come across any adverse features, in this regard, which may have any material effect on the operation of the Company. The cost of ensuring hardware and software compliance is estimated at Rs. 50.

For and on Behalf of Board of Directors

Calcutta
Dated : The 25th November, 1999

Hardev Singh
B. M. Sharma
J. Tiwari

Managing Director
Director
Company Secretary

Auditors Certificate

The above Cash Flow Statement together with the Note thereon has been compiled from and is based on the audited accounts of Teesta Agro Industries Limited for the year ended 31st March, 1999 reported by us on 25th November, 1999. According to the information and explanations given the aforesaid Cash Flow Statement has been prepared pursuant to Clause 32 of the Listing Agreement with Stock Exchanges and the reallocation required for the purpose are as made by the Company.

Calcutta
Dated : The 25th November, 1999

S. K. Deb.
Partner
For and on behalf
PRICE WATERHOUSE
Chartered Accountants

TEESTA AGRO INDUSTRIES LIMITED

TEESTA AGRO INDUSTRIES LIMITED

Registered Office : mazabari. Rajganj, Jalpaiguri

West Bengal

PROXY FORM

I/We of
..... being a -Member/Members of
TEESTA AGRO INDUSTRIES LIMITED hereby appoint Shri
..... of
..... or failing him
of as my / our proxy
to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company
to be held on Friday, 24th December 1999 and / or at any adjournment thereof.

As witness my / our hands (s) this day of 1999

Signed by the Said

Membership A/c/No

Affix
30 Paise
Revenue
Stamp

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the Company on 24th December, 1999

Full Name of the Shareholder:.....

(Block Capitals)

Membership A/c. No..... Signature

Full name of Proxy.....

(Block Capitals)

Signature

- Notes :
- a) The Form should be signed across the stamp as specimen signature registered with the Company.
 - b) The proxy duly completed must be deposited at the registered office of the Company at Mazabari, Rajganj, Jalpaiguri, West Bengal not less than 48 hours before the time fixed holding the aforesaid meeting.

BOOK POST

If undelivered please return to :

TEESTA AGRO INDUSTRIES LTD.

Mazabari, Rajganj, Jalpaiguri,
West Bengal