

TEESTA AGRO INDUSTRIES LIMITED



**16TH
ANNUAL REPORT
AND ACCOUNTS
2002**



BOARD OF DIRECTORS

Chairman-Cum-Managing Director
Sri Hardev Singh

Directors

Smt. Joginder Kaur
Sri Paramdeep Singh
Sri R. C. Wadhwa
Sri Inderdeep Singh

Secretary

Sri J. Tiwari

Auditors

Mantry & Associates

Bankers

State Bank Of India
Allahabad Bank
Union Bank of India

Corporate Office

63/1/2, Sarat Bose Road, Kolkata -700 025

Registered Office & Works

Rajganj, Jalpaiguri, West Bengal, Pin : 735134

Share Registrar

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



NOTICE

Notice is hereby given that the Sixteenth 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 THURSDAY, 26th September 2002 at 9 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; 2002 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon .
2. To appoint a Director in place of Mrs. Joginder Kaur who, retires by rotation and being eligible, offers herself for re-appointment ,
3. 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 and 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

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution :-

"Resolved that Mr, Paradeep Singh be and is hereby appointed as a Director of the Company, whose period of office shall be Liable to determination by retirement of Directors, by rotation ."
5. To declare and announce the Postal Ballot results of the special resolution required to be transacted through Postal Ballot under Section 192A of the Companies Act, 1956 and rules made thereunder in respect of alteration of the Object Clause in the Memorandum of Association of the Company .

RESOLUTION

"Resolved that clause No. 10 under the head "Other Objects" in the Memorandum of Association of the Company be and is hereby deleted."

6. To declare and announce the Postal Ballot results of the special resolution required to be transacted through Postal Ballot under Section 192A of the Companies Act, 1956, and rules made thereunder in respect of alteration of the Object Clause in the Memorandum of Association of the Company .

**RESOLUTION**

"Resolved that pursuant to Section 16,17 and other applicable provisions. if any, of the Companies Act, 1956, the following clause be added after Clause 10 in Other Objects" in the Memorandum of Association of the Company and numbered as Clause 11 :-

11. To establish, acquire, maintain and carry on the business of growers, cultivators, producers, planters, blenders, buyers, sellers, auctioners, exporters, importers, manufacturers, and to carry on the business of tea, coffee, cinchona, rubbers, sugar, grass, bamboos timber, that or any other Agricultural Produce and to prepare, manufacture; and render marketable any such produce, and to sell, dispose off, and deal in any such produce, either in its prepared, manufactured or raw state and to acquire by purchase or by taking upon lease or otherwise any tea or other Agricultural Produce state in India or outside India."
7. To declare and announce the Postal Ballot results of the special resolution required to be transacted through Postal Ballot under Section 192A of the Companies Act, 1956, and rules made thereunder In respect of alteration of the Object Clause In the Memorandum of Association of the Company .

RESOLUTION

"Resolved that pursuant to Section 16, 17 and other applicable provisions, if any, of the Companies Act, 1956, the following Clause be added after Clause 11 in "Other Objects" in the Memorandum of Association of the Company and numbered as Clause 12 :-

12. To carry on the business of manufacturers, repairers, Importers, exporters, suppliers, selling agents, distributing agents, intermediatories, representatives, for and dealers in all types of electrical transformers, low and high voltage switch gears, switches and starters metering sets, voltage stabilisers, motors, pumps, furnaces, ovens, control equipments, transmission towers and overhead fittings, mining equipments, electrical substation equipments including the business of generation and distribution of power in all its forms and kinds .
8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a special resolution :-

"Resolved that the Board of Directors of the Company be and is hereby authorised to commence all or any business as mentioned in Clauses 10 & 11, under the head "Other Objects " in the Memorandum of Association of the Company, from such date as the Board of Directors may deem fit and proper, upon such clauses becoming effective and further that the Board of Directors be and is hereby also authorised to do all such acts, things, deeds and matters which may be connected therewith or incidental thereto."

Siliguri Office :
25, Burdwan Road (1st Floor)
Siliguri-734405
Date : The 31st July, 2002

By the Order of the Board
For Teesta Agro Industries Ltd.
J. Tiwari
Company Secretary



NOTES :-

1. 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 .
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September, 2002 to 23rd September, 2002 both days inclusive .
3. 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, Maheshwari Datamatics Pvt. Ltd.
4. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
5. Item Nos, 5,6 and 7 are required to be transacted through Postal Ballot under Section 192A of the Companies Act, 1956 and rules made thereunder . Additional information In respect of Postal Ballot is furnished below :-
 - a) Shareholders are requested to send their assent or dissent in writing to the Scrutinizer at the Registered Office of the Company by Postal Ballot in the prescribed Postal Ballot Form enclosed herewith . A self - addressed postage pre - paid envelope is also enclosed herewith.
 - b) The Postal Ballot Form duly completed and signed should be forwarded to the Registered Office of the Company at Mazabari. P.O.: Rajganj, Dist. : Jalpaiguri, West Bengal, Pin : 735134 so as to reach the Company not later than the close of working hours on 16th Sep. 2002 .
 - c) Postal Ballot shall not be exercised by a Proxy .
 - d) In accordance with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001. Postal Ballots received after September 16th, 2002 shall be treated as if the reply from the shareholders has not been received and the same shall not be considered .
 - e) incomplete, unsigned or incorrectly ticked Postal Ballot is Subject to rejection.
 - f) The Company has appointed Mr. P. Bhattacharya, Senior Advocate, as Scrutinizer who in the opinion of the Board, can conduct the Postal Ballots voting process in a fair and transparent manner as Scrutinizer.
 - g) The Scrutinizer will be in position to complete the compilation by 23rd September, 2002 and will submit his final report on or before the said date to the Chairman .
 - h) The Scrutinizer will be available at the Registered Office of the Company for the purpose of ascertaining the requisite majority and the Postal Ballots and all other papers relating to Postal Ballots will be under his safe custody till the Chairman of the meeting considers, approves and signs the minutes of the meeting .



Explanatory Statement pursuant to Section 173(2) of the Companies Act. 1956

Item No. 4

Mr. Paramdeep Singh was appointed Addition Director of the Company in the Board Meeting held on 30.04.02. As per Section 260 of the Companies Act, 1956, he will hold office till the conclusion of this Annual General Meeting. The Company has received Notice in writing from a Member of the Company under Section 257 of the Companies Act, 1956, expressing his intention to propose the name of Mr. Paramdeep Singh for the office of Directorship of the Company. Mr. Paramdeep Singh has expressed his willingness to act as a Director, if elected and has filed his consent in this regard with the Company under Section 264(1) of the Companies Act, 1956.

The Board of Directors recommends the resolution for approval of the members of the Company.

Save & except Mr. Paramdeep Singh, Mr. Hardev Singh, Mrs. Joginder Kaur and Mr. Inderdeep Singh, no Director of the Company is concerned or interested in the resolution being item no. 4 in the notice.

Item No. 5

It is proposed to delete Clause No. 10 under the head "Other Objects" in the Memorandum of Association of the Company in the manner and mode as stated in item no.5 in the Notice. The Special resolution being Item No. 5 in the notice is intended for the purpose.

Section 192A of the Companies Act, 1956, read Together with Companies Passing of the resolution by (Postal Ballot), Rules, 2001 inter-alia, provides that the Board of Directors of the company shall not, except, with the consent of the Members by resolution passed by means of Postal Ballot, instead of transacting the business in general meeting of the company, alter the Object Clause of the Memorandum of Association of the Company and accordingly the Board has considered it necessary and appropriate to seek approval of the Members by Postal Ballot.

The Board of Director recommends the special resolution for approval of the members. No Director of the Company is concerned or interested in the special resolution being item No. 5 in the notice.

Item No. 6

It is proposed to alter the Object Clause in the Memorandum of Association of the Company in the manner and mode as stated in Item No. 6 in the Notice. The special resolution being item No. 6 in the Notice is intended for the purpose.



TEESTA AGRO INDUSTRIES LIMITED

Section 192A of the Companies Act, 1956, read Together with Companies Passing of the resolution by (Postal Ballot), Rules, 2001 inter-alia, provides that the Board of Directors of the Company shall not, except, with the consent of the Members by resolution passed by means of Postal Ballot, instead of transacting the business in general meeting of the Company, alter the object Clause of the Memorandum of Association of the Company and accordingly the Board has considered it necessary and appropriate to seek approval of the Members by Postal Ballot.

The Board of Directors recommends the special resolution for approval of the Members No Director of the Company is concerned or interested in the special resolution being item No. 6 in the Notice.

Item No. 7

It is proposed to alter the object Clause in the Memorandum of Association of the Company in the manner and mode as stated in Item No. 7 in the Notice. The special resolution being item No. 7 in the Notice is intended for the purpose.

Section 192A of the Companies Act., 1956, read Together with Companies Passing of the resolution by (Postal Ballot), Rules, 2001 inter-alia, provides that the Board of Directors of the Company shall not, except, with the consent of the Members by resolution passed by means of Postal Ballot, instead of transacting the business in general meeting of the Company, alter the Object Clause of the Memorandum of Association of the Company and accordingly the Board has considered it necessary and appropriate to seek approval of the members by postal ballot.

The Board of Directors recommends the special resolution for approval of the Members No Director of the Company is concerned or interested in the special resolution being item No. 7 in the Notice.

Item No. 8

As per Section 149(2A) of the Companies Act, 1956, if a Company has to commence a new business, it has to obtain prior approval of the Members of the Company by way of special resolution. The Special Resolution being item no. 8 in the notice is intended for the purpose.

The Board of Directors recommends the special resolution for approval of the Members of the Company.

No Director of the Company is concerned or interested in the special resolution being item no. 8 in the notice.

Siliguri Office :
25, Burdwan Road (1st Floor)
Siliguri-734405
Date : The 31st July, 2002

By the Order of the Board
For Teesta Agro Insustries Ltd.
For J. Tiwari
Company Secretary



DIRECTORS' REPORT

TO THE MEMBERS OF TEESTA AGRO INDUSTRIES LIMITED

Your Directors' take pleasure in presenting the Sixteenth Annual Report of the Company together with Audited Statement of Accounts for the year ended 31st March, 2002 .

1. FINANCIAL RESULTS

	Current Year Rs.Lacs	Previous year Rs.Lacs
Total turnover & other receipts	3920.22	4760.56
Operating Profit before Interest, depreciation and other non cash expenses	163.18	(18.26)
Less : interest on Loan	77.42	62.27
Cash Profit / (Loss)	85.76	(80.53)
Less : Depreciation and other non cash expenses	109.59	106.25
Profit/(Loss) for the year	(23.83)	(186.78)
Provision for taxation	3.99	-
Profit / (Loss) after tax	(19.84)	(186.78)
Interest waiver as per BIFR sanctioned scheme	1576.80	-
Add : Profit / (Loss) brought forward from Previous year	(750.82)	(564.04)
Addition to loss due to deferred tax accounting	(158.25)	-
Profit / (Loss) carried forward to next year	647.89	(750.82)

2. DIVIDEND

Taking into consideration the extremely adverse financial position of the Company, your Directors do not recommend to the Members of the Company for payment of any dividend in respect of the year ended 31st March, 2002 .

3. OPERATION

During the year under review, the turnover and other receipts of your Company stood at Rs. 3920.22 Lacs as against Rs. 4760.56 Lacs in the previous year .The decline in turnover has been mainly due to sluggishness in the Indian Economy, which adversely affected the agricultural sector . Since your Company's operations are directly related to the agricultural sector, It could not insulate itself from the adverse financial performance .

Loss after taxation stood at Rs. 19.84 lacs as against Rs- 186.78 lacs in the previous year.



4. FUTURE PROSPECT

Your Directors do not envisage any major upturn in the fortune of your Company, since the monsoon this year has been less than normal - This will have negative impact on the agricultural sector and consequently on your Company.

Hence your Directors are exploring avenues for diversification and they are hopeful of giving a concrete shape to the plans during the current year. Your Company will install a Captive Power Generation unit with the unused steam of the Company's acid plant to be used as an input for power generation. It is expected that the inhouse power system will generate power of 1.20 MW and an investment of Rs. 3.50 crores (approx.) is envisaged. Once the generation of inhouse power unit becomes operational, the operating / manufacturing cost will reduce drastically.

5. BTFR

Hon'ble Board for Industrial and Financial Reconstruction (BIFR) had declared the Company as a sick industrial unit on 11.08.1999 . The BIFR vide Its order dated 21.01.2002 had sanctioned a Rehabilitation Scheme. The Company has given effect to the sanctioned Rehabilitation Scheme in the audited Accounts for the year ended 31st March, 2002 as follows :-

- I. Waiver of simple interest, compound interest, funded Interest, liquidated damages, penal interest outstanding as on cut - off date (i.e. 31-03.2001) by IDBI, IFCI & ICICI by way of credit to Extraordinary Items in Profit and Loss Account.
- II. Waiver of 42% of outstanding principal loan amount by IFCI by way of credit to Capital Reserve in Balance Sheet .
- III. Waiver of 50% of outstanding principal loan amount by ICICI by way of credit to Capital Reserve in Balance Sheet.
- IV. Issue of 8% Redeemable Cumulative Preference Shares to IDBI of Rs. 111.50 lacs, which are redeemable after 10 years from the date of Issue .

The Company has not given effect to the following benefits in the annexed accounts, due to pending approval of the same from the respective authorities :-

- i) The State Government of West Bengal is represented to consider waiver of sales tax up to 31.03,2001 and to consider remission of sales tax for a further period of 9 years from 01.04,2001, These relief and concessions have not yet sanctioned by the State Government .
- ii) The West Bengal State Electricity Board (WBSEB) is represented to consider waiving of electricity duty on the electricity consumption for a period of 5 years from 01.04.2001, which has not yet been sanctioned by the WBSEB.



- iii) The Central Board of Direct Taxes (CBDT) is represented to consider exempting the Company from the provisions of Section 41(1), 45, 115JA, 115JB, and 155(5) of the income Tax Act, 1961, in respect of concessions allowed by institutions and other agencies under the Sanctioned Rehabilitation Scheme. These relief and concessions have not yet been sanctioned by the CBDT .

6. DIRECTORS

Mrs. Joginder Kaur retires by rotation at the Annual General Meeting and being eligible has offered herself for reappointment.

Mr. Paramdeep Singh was appointed additional Director of the Company with effect from 30.04.2002 and as per Section 260 of the Companies Act, 1956, he will hold office upto the conclusion of this Annual General Meeting . However, the Company has received notice in writing from a Member under Section 257 of the Company's Act, 1956 expressing his intention to propose the name of Mr. Paramdeep Singh for Directorship of the Company in the forthcoming Annual General Meeting. Mr. Paramdeep Singh has expressed his willingness to act as Director, if elected, and has filed requisite consent under Section 264(1) of the Companies Act, 1956.

7. DIRECTORS' RESPONSIBILITY STATEMENT

As per newly inserted Section 217(2AA) of the Companies Act, 1956 your Directors state :-

- i. That in the preparation of Annual Accounts, the applicable Accounting Standards had been followed and no material departure have made from the same .
- ii. That the Directors had selected such accounting policies and applied them consistently and made judgement and estimates that are resonable and prudent so as to give a true and fair view of the state of affairs of the Company for the period .
- iii. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities .
- iv. That the Directors had prepared the annual accounts on a going concern basis .

8. EMPLOYEES

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.

9. CONSERVATION OF ENERGY

The necessary details under the captioned heading have been given as per Annexure : A.



TEESTA AGRO INDUSTRIES LIMITED

10. AUDITORS

M/s. Mantry & Associates. Chartered Accountants, Siliguri are the retiring auditors and, being eligible, have offered themselves for reappointment.

11. Auditors' Report

The Auditors' Report with relevant Notes on Account are self-explanatory and do not call for further clarification.

12. APPRECIATION

Your Directors wish to record their appreciation of the valuable co- operation and support received from the customers, Financial Institutions, Banks, Central Govt. and verious State Govt. Your Directors are also grateful to shareholders and employees for the continued support to the Company.

Siliguri Office :
25, Burdwan Road (1st Floor)
Siliguri-734405
Date : The 31st July, 2002

For and on Behalf of the Board of Directors
(Hardev Singh)
Chairman-cum-Managing Director



ANNEXURE TO DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors Rules), 1988 and forming part of Directors' Report.

Conservation of Energy

- a) Energy Conservation measures taken } New motor/equipments added/repalced
 b) Additional Investments/propsals, if any } during the year are energy efficient
 c) Impact of the measures at (a) and (b) above }

FORM A

Disclosure of particulars with respect to Conservation of Energy

A. Power and Fuel Consumption		2001-02		2000-2001	
		S.S.P.	S.ACID	S.S.P.	S.ACID
1. Electricity					
(a) Purchased Unit	'000KWH	1520.644	694.227	1778.933	859.326
Total Amount	Rs. Lakhs	57.20	26.11	64.34	31.08
Rate/Unit	Rs.	3.76	3.76	3.62	3.62
(b) Own Generation Unit	'000KWH	130.656	63.973	126.047	64.054
Unit per Litre of Diesel Oil	KWH	3.60	3.60	3.28	3.28
Cost per Unit	Rs.	4.83	4.83	4.54	4.54
2. Coal		Not Applicable		Not Applicable	
3.(a) HSD	'000Ltrs.	594.000	—	500.603	5.754
(b) Total Amount	Rs. Lakhs	103.25	—	77.46	0.99
4. Other internal generation		Not Applicable		Not Applicable	
B. Consumption per unit of production					
		Electricity (KWH/Tonne)		F.Oil/LDO/HSD (Litres/Tonne)	
		2001-02	2000-01	2001-02	2000-01
1.	S.S.P.	14.40	11.71	5.18	11.71
2.	S.Acid	19.86	17.53	—	17.53



FORM B

**Disclosure of particulars with respect of technology absorption
Research & Development (R&D)**

1. Specific areas in which R&D carried by the Company	Nil
2. Benefits derived as a result of the above R&D	Not Applicable
3. Future Plan of action	Not Applicable
4. Exepditure on R&D	
(a) Capital	Nil
(b) Recurring	Nil
(c) Total	Nil
(d) Total R&D expenditure as a percentage of total turnover, Technology Absorption, Adaption and Innovation	Nil
1. Efforts in brief, made towards technology absorption, adaption and innovation	Not Applicable
2. Benefits derived as a result of the above effects	Not Applicable

Foreign Exchange Earnings and Outgo

		2001-02	2000-01
i) Earnings		Nil	Nil
ii) Outgo			
CIF value of imports	Rs. Lakhs	259.70	731.50
Books & Periodicals	Rs. Lakhs	0.66	-



AUDITORS' REPORT

To the Members of
Teesta Agro Industries Limited

We have audited the Balance Sheet of Teesta Agro Industries Limited as at 31st March, 2002, signed by us under reference to this report and the relative Profit and Loss Account for the year ended on that date, which are in agreement with the books of account. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section 4A of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a Statement on the matters specified in Paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, report that :

1. 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/attached thereto, give in the prescribed manner the information required by the Companies Act, 1956 and also give respectively a true and fair view of the state of the Company's affairs as at 31st March, 2002 and its profit for the year ended on that date in conformity with the accounting principles generally accepted in India.



TEESTA AGRO INDUSTRIES LIMITED

2. 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 proper books of accounts have been kept by the company, as required by law, so far as appears from our examination of the books.
3. In our opinion, these accounts have been prepared in compliance with the applicable accounting standards referred to in Section 211(3C) of the Act.
4. Based on written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2002 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Siliguri,
The 31st July, 2002

R. B. Mantry
Partner
For and on behalf of
MANTRY & ASSOCIATES
Chartered Accountants

**ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN OUR REPORT OF EVEN DATE**

1. The Company has maintained proper records to show full particulars including quantitative details and situations of its fixed assets. All 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 have been noticed.
2. The fixed assets of the Company have not been revalued during the Year.
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.
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.
5. In our opinion, the valuation of stock of finished goods, stores, spare parts and raw materials has been fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
6. In our opinion, the rate of interest and other terms and conditions of loan, secured or unsecured taken by the Company during the year from companies, firms and other parties 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.
7. The Company has not granted any loan, secured or unsecured to companies, firms or other companies 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.



8. Interest free advances in the nature of loans given to certain employees are generally being repaid as stipulated except for Rs.0.42 lakh (Previous year Rs.0.42 lakh) for which there is no stipulation as to the repayment/adjustment and in respect of which, as explained by the management suitable step is being taken for adjustment/recovery.
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.
10. In our opinion, the transaction of purchase of goods and materials made in pursuance of contracts or agreements 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.
11. The Company has a system of determining unserviceable or damaged stores, raw material and finished goods on the basis of technical evaluation. On aforesaid basis, in our opinion, no further write-off in the accounts for such stocks was considered necessary during the year. In respect of trading activities, there are no damaged goods in possession of the Company as at 31st March, 2002.
12. The Company has not accepted any deposits from the public.
13. The Company does not have any realisable production scrap and accordingly no records thereof have been maintained. The Company has no by-products.
14. In our opinion, the Company has an internal audit system (a firm of Chartered Accountants having been appointed for the purpose). The internal audit as conducted in a phased manner, is commensurate with the size and nature of its business.
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 are not required to and have not carried out any detailed examination of such records.



16. The Company has been regular in depositing Provident Fund dues with the concerned authorities during the year considering the grace period allowed by the Provident Fund Department. As explained to us, the E.S.I. Act is not applicable to the Company.
17. As on 31st March, 2002 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.
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 obligations) which have been debited to Profit and Loss Account nor have we been informed of such case by the management.
19. 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 as indicated in note 2 on Schedule 15, a rehabilitation scheme has been sanctioned by the BIFR on 21st January, 2002.

R. B. Mantry
Partner

For and on behalf of
MANTRY & ASSOCIATES
Chartered Accountants

Siliguri,
The 31st July, 2002

**BALANCE SHEET AS AT 31ST MARCH, 2002 (Rs. in '000)**

	Schedule	As at 31st March, 2002	As at 31st March, 2001
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	1	56,200	45,050
Reserve & Surplus	2	81,221	-
Loan Funds			
Secured Loans	3A	42,673	133,231
Unsecured Leans	3B	99,191	197,001
		141,864	330,232
Deferred Tax Liabilities (Note 18 on Schedule 15)		15,426	-
		294,711	375,282
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	202,405	193,869
Less : Depreciation		84,356	73,397
Net Block		118,049	120,472
Capital Work-in-progress		5,605	1,708
Current Assets, Loans and Advances			
Inventories	5	85,579	84,490
Sundry Debtors	6	108,384	168,678
Cash and Bank Balances	7	31,770	47,355
Other Current Assets	8	2,954	2,917
Loans and Advances	9	9,457	12,755
		238,144	316,195
Less : Current Liabilities and Provisions	10		
Liabilities	10A	66,296	137,746
Provisions	10B	866	746
		67,162	138,492
Net : Current Assets		170,982	177,703
Miscellaneous Expenditure (to the extent not written off or adjusted)	11	75	317
		-	75,082
Profit and Loss Account		294,711	375,282
Notes on Accounts	15		

The Schedules referred to above
form part of the Balance Sheet

This is the Balance Sheet referred to in
our report of even date.

R. B. MANTRY

Partner

For and on behalf of

MANTRY & ASSOCIATES

Chartered Accountants

Siliguri, the 31st July, 2002

Hardev Singh
Inderdeep Singh
J. Tiwari

18

Managing Director
Director
Company Secretary



Profit And Loss Account for the Year Ended 31st March, 2002

(Rs. in '000)

		Schedule	For the year ended 31st March, 2002	For the year ended 31st March, 2001
A. Income.				
Sales			306,308	366,136
Govt. Rebate			84,568	108,619
Other Income	12		1,146	1,301
Closing Stock of Finished Goods			13,182	26,201
			405,204	502,257
B. Expenditure				
Opening Stock of Finished Goods			26,201	25,880
Finished Goods Purchased			12,480	12,910
Raw Materials Consumed	13		246,774	352,233
Consumption of Stores and Spares			22,672	30,597
Expenses	14		80,759	82,463
Depreciation			10,959	10,625
Interest			7,742	6,227
			407,587	520,935
Profit/(Loss) before Taxation			(2,383)	(18,678)
Provision for taxation:				
– Current			–	–
– Deferred			399	–
Profit/(Loss) after Taxation			(1,984)	(18,678)
Extraordinary Items:				
Interest provided in earlier years written off (on the basis of rehabilitation scheme sanctioned by BIFR) (Note 2 on Schedule 15):				
Interest Waived by IDBI			92,718	–
Interest Waived by IFCI			31,514	–
Interest Waived by ICICI			33,448	–
Profit/(Loss) after Taxation & Extraordinary Items			155,696	(18,678)
Profit/(Loss) brought forward from previous year	(75,082)			(56,404)
Addition to loss due to deferred tax accounting (Note 18 on Schedule 15)	(15,825)		(90,907)	–
Balance Carried Forward to Balance Sheet			64,789	(75,082)
Earning per Equity Share				
– Basic (Rs.)			34.56	(4.15)
– Diluted (Rs.)			34.56	(4.15)
Notes on Accounts	15			

The Schedules referred to above
form part of the Profit & Loss A/c.

Siliguri
The 31st July, 2002

Hardev Singh Managing Director
Inderdeep Singh Director
J. Tiwari Company Secretary



TEESTA AGRO INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in '000)

	As at 31st March, 2002	As at 31st March, 2001
1. SHARE CAPITAL		
Authorised :		
80,00,000 Equity Shares of Rs.10/- each	80,000	100,000
20,00,000 8% Cumulative Preference Shares of Rs.10/- each	20,000	-
	100,000	100,000
Issued, Subscribed and paid up :		
45,50,000 Equity Shares of Rs.10/- each	45,500	45,500
Less : Allotment Money in Arrear	(450)	(450)
	45,050	45,050
11,15,000 8% Cumulative Preference Shares of Rs.10/- each [Note: Of the above shares 11,15,000 Preference Shares were allotted as fully paid up for consideration other than in cash, pursuant to Negotiated Settlement with IDBI against their outstanding dues]	11,150	-
	56,200	45,050
2. RESERVE AND SURPLUS		
Capital Reserve	16,432	-
Profit and Loss Account	64,789	-
	81,221	-
3. LOAN FUNDS		
<u>Recognised as per Rehabilitation Scheme</u>		
<u>sanctioned by BIFR</u>		
A. Secured Loans		
Term Loan from Financial Institutions	25,420	81,300
Interest accrued and due on Term Loans	-	40,880
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 and Machinery both present and future in favour of the Industrial Development Bank of India (IDBI) 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) (Cash Credit Limit 20,000)	17,253	11,051
	42,673	133,231
B. Unsecured Loans		
From Directors	18,630	55
Short Term Loan from IDBI	-	10,000
Interest accrued and due on Term Loans and Short Term Loan	6	116,806
Deferred Sales Tax	80,555	70,140
	99,191	197,001

SCHEDULES FORMING PART OF THE BALANCE SHEET

4. Fixed Assets

(Rs in'000)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as on 31.03.2001	Additions During the year	Sale/Adj During the year	Original Cost as on 31.03.2002	Depreciation upto 31.03.2001	For the year	Sale/Adj During the year	Depreciation upto 31.03.2002	As At 31st March,2002	As At 31st March,2001
	Land (Freehold)	5,805	128	-	5,933	-	-	-	-	5,933
Buildings	68,234	7,590	-	75,824	11,974	2,180	-	14,154	61,670	56,260
Plant & Machinery	95,001	756	-	95,757	49,445	6,720	-	56,165	39,592	45,556
Electrical Installation	14,281	-	-	14,281	8,147	1,010	-	9,157	5,124	6,134
Furniture & Fixture	1,818	40	-	1,858	1,181	130	-	1,311	547	637
Office Equipment	1,561	20	-	1,581	1,252	236	-	1,488	93	309
Vehicles	7,169	2	-	7,171	1,398	683	-	2,081	5,090	5,771
	193,869	8,536	-	202,405	73,397	10,959	-	84,356	118,049	120,472
Previous Year	185,860	8,712	703	193,869	62,907	10,625	135	73,397	120,472	

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TESTA AGRO INDUSTRIES LIMITED



TEESTA AGRO INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in '000)

	As at 31st March, 2002	As at 31st March, 2001
5. INVENTORIES - AT COST		
- At Cost		
Stores and Spares	5,576	9,459
Raw Materials	50,548	36,015
Raw Materials in Transit	16,273	12,815
-At lower of cost and net realisable value		
Finished Goods	13,182	26,201
	85,579	84,490
6. SUNDRY DEBTORS		
(Unsecured, considered good except as indicated below)		
Debts Outstanding for a period exceeding six months (Includes Subsidy/Rebate receivable from State Government 17,962, Previous year 19,180)	34,970	39,971
Other Debts (Includes Subsidy/Rebate receivable from State Government 18,182, Previous year 17,484)	73,414	128,707
	108,384	168,678
7. CASH AND BANK BALANCES		
Cash in Hand	20	10
Cheques in Hand	1,420	175
Remittance in Transit	3,050	1,729
Balance with Scheduled Banks on :		
Current Accounts	3,822	11,216
Share Allotment Money Account	27	27
Refund Order Account (Note 4 on Schedule 15)	164	164
Fixed Deposit Account (Pledged with Banks - being Margin against Bank guarantees, Letter of Credits, etc.)	23,267	34,034
	31,770	47,355



SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in '000)

	As at 31st March, 2002	As at 31st March, 2001
8. OTHER CURRENT ASSETS (Unsecured, considered good)		
Interest accrued on National Saving Certificates and Fixed Deposit etc. with Banks	403	361
Duty Drawback Claims	331	331
Deposit with Government Authorities (Note 7 on Schedule 15)	1,537	1,528
Other Deposit	683	697
	2,954	2,917
9. LOANS AND ADVANCES (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
Advances against Capital Expenditure	318	305
Other Advances	6,247	5,769
Advance payment to FI's against OTS Scheme	-	3,875
Tax Deducted at Source	622	536
Income Tax paid under protest	2,270	2,270
	9,457	12,755
10 CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors (Note 3 on Schedule 15)	65,546	137,269
Advances from Customers	614	341
Advances against sale of Fixed Assets	136	136
	66,296	137,746
B. Provisions		
Employees' Benefits	866	746
	866	746
11. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Preliminary Expenses	-	13
Share Issue Expenses	75	304
	75	317



TEESTA AGRO INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

(Rs. in '000)

	As at 31st March, 2002	As at 31st March, 2001
12. OTHER INCOME		
Interest Received from Bank	427	388
Sundry Receipt (Net)	719	913
	<u>1,146</u>	<u>1,301</u>
13. RAW MATERIALS CONSUMED		
Opening Stock	48,830	43,987
Purchase	208,129	304,455
Freight Inward	57,218	52,621
	<u>314,177</u>	<u>401,063</u>
Less: Sale of Material	582	-
Less: Closing Stock	66,821	48,830
	<u>246,774</u>	<u>352,233</u>
14. EXPENSES		
Salaries, Wages and Bonus	13,564	13,690
Contribution to Provident and other welfare funds	812	682
Staff Welfare	505	414
Insurance	642	592
Rent	1,927	2,028
Rates and Taxes	125	92
Power and Fuel	20,477	19,103
Repairs and Maintenance:		
Building	838	722
Plant and Machinery	15,923	18,094
Other	191	211
	<u>16,952</u>	<u>19,027</u>
Advertisement	496	154
Carriage Outward	14,882	15,499
Commission on sales	6	628
Miscellaneous Expenses	10,129	10,244
Loss on sale of Fixed Assets	-	68
Miscellaneous Expenditure written off :		
Preliminary Expenses	13	13
Share Issue Expenses	229	229
	<u>242</u>	<u>242</u>
	<u>80,759</u>	<u>82,463</u>

**TEESTA AGRO INDUSTRIES LIMITED****15. NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2002**

(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 (a) Inventories of Stores and Spares are valued on FIFO basis.
(b) Raw Materials are valued on FIFO basis.
(c) Finished Goods are valued at lower of cost and net realisable value.
- 1.4 Sales exclusive of Excise Duty and Sales Tax & net of dealers' margin and are recognised as revenue on despatches. The rebate receivable from Government on sale of Single Super Phosphate Fertilizer (S.S.P.) is also recognised on accrual basis.
- 1.5 Preliminary Expenses and Share Issue Expenses are being written off over a period of ten years after commencement of commercial production.
- 1.6 Transactions in foreign currencies are reflected at rates at which transactions are settled or year end rate and resultant loss or gain is accounted for in the profit and loss account.
- 1.7 Liabilities in respect of gratuity based on premium payable to LIC Group Gratuity Scheme have been provided for and leave encashment benefits payable to employees as per terms of employment are recognised as revenue charge in the accounts.

2 Hon'ble Board for Industrial and Financial Reconstruction (BIFR) had declared the company as a sick industrial unit on 11.06.1999. The BIFR vide its order dated 21.01.2002 had sanctioned a Rehabilitation Scheme. The company has given effect to the sanctioned Rehabilitation Scheme in the annexed accounts as follows:-

- i. Waiver of simple interest, compound interest, funded interest, liquidated damages, penal interest outstanding as on cut-off date (i.e. 31.03.2001) by IDBI, IFCI & ICICI by way of credit to Extraordinary Items in Profit and Loss Account.
- ii. Waiver of 42% of outstanding principal loan amount by IFCI by way of credit to Capital Reserve in Balance Sheet.
- iii. Waiver of 50% of outstanding principal loan amount by ICICI by way of credit to Capital Reserve in Balance Sheet.
- iv. Issue of 8% Redeemable Cumulative Preference Shares to IDBI of Rs.11150, which are redeemable after 10 years from the date of issue.



- The company has not given effect to the following benefits in the annexed accounts, due to pending approval of the same from the respective authorities:-
- i. The State Government of West Bengal is represented to consider waiver of sales tax up to 31.03.2001 and to consider remission of sales tax for a further period of 9 years from 01.04.2001. These relief and concessions have not yet sanctioned by the State Government.
 - ii. The West Bengal State Electricity Board (WBSEB) is represented to consider waiving of electricity duty on the electricity consumption for a period of 5 years from 01.04.2001, which has not yet been sanctioned by the WBSEB.
 - iii. The Central Board of Direct Taxes (CBDT) is represented to consider exempting the company from the provisions of section 41(1), 45, 115JA, 115JB and 155(5) of the Income Tax Act, 1961, in respect of concessions allowed by institutions and other agencies under the Sanctioned Rehabilitation Scheme. These relief and concessions have not yet been sanctioned by the CBDT.
3. Sundry Creditors include outstanding balance of Rs.334 (Previous year Rs.1088) being deferred credits payable in respect of vehicles purchased under Hire Purchase Scheme.
 - 4 Refund Order Account of Rs.164 (Previous year Rs.164)(Schedule7) represent amount, which is yet to be reconciled with the related bank certificate/statement. As against this there stands Sundry Creditors for Share applications of Rs.71 (Previous year Rs.71).
 5. Purchase Tax and Service Tax, amount currently not ascertainable, have not been accounted for as according to the company management, these are not payable.
 6. Sundry Debtors and advances (considered good) include certain overdue debts/ old advances aggregating to Rs.3123 (Previous Year Rs.1985) for which necessary steps are being taken for realisation and as such no provision there against is considered necessary in these accounts.
 - 7 Company has filed a writ application in the Kolkata High Court against demand of Rs.4100 made by West Bengal State Electricity Board (WBSEB) for un-metered power consumption. Hon'ble Kolkata High Court vide its order dated 11.12.1996 has directed the company to deposit a sum of Rs.1000 (included under advance) and the matter is sub-judice. Pending final disposal of writ application, no further 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, penalty etc.) liability not admitted by the Company amounting to Rs.22276 (Previous Year Rs.22323) on the basis of orders of Income Tax Authority. The Company has filed appeals for the relevant Assessment Years and is taking necessary steps to pursue this matter at appropriate levels.
9. Due to non-submission of information by the suppliers regarding their S.S.I. unit status to the management, the particulars of indebtedness to Small Scale Industrial Undertakings could not be furnished.
10. (a) Estimated amount of Capital Commitments net of advances as at 31.03.2002, and not provided for is Rs.300 (Previous year Rs.200).
- (b) Contingent Liabilities
- | | 2001-02 | 2000-01 |
|---|---------|---------|
| (Not provided for) in respect of :- | | |
| - Letter of Credit | 10088 | 33139 |
| - Bank Guarantees | 1975 | 1548 |
| -Sales Tax matter under appeals | 25990 | 25990 |
| - Claims against the Company not acknowledged as debt | 177 | 177 |
11. Consumption of raw materials includes foreign exchange loss of Rs.627 (Previous year Rs.1062).
12. Miscellaneous Expenses includes:-
- | | 2001-02 | 2000-01 |
|--------------------------------------|---------|---------|
| (a) Amount Paid/Payable to Auditors: | | |
| (1) Audit Fees | 110 | 100 |
| (2) In other Capacities : | | |
| - Fees for Tax Audit | 20 | 13 |
| - Certification Jobs | 30 | 38 |
13. Information pursuant to the provisions of paragraphs 3, 4C and 4D 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 :-
- | (i) Installed Capacity (Annual)
(as certified by the Management) | M.T. | M.T. |
|---|--------------|--------------|
| 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 |
| Sulphuric Acid | 49,500.000 | 49,500.000 |

**TEESTA AGRO INDUSTRIES LIMITED**

(ii) Actual Production				
S.S.P.		1,14,432.672	1,48,596.933	
Sulphuric Acid		38,185.924	47,389.148	
G.S.S.P.		Nil	Nil	
	<u>M.T.</u>	<u>Rs.('000)</u>	<u>M.T.</u>	<u>Rs.('000)</u>
(iii) Opening Stock of Finished Products:-				
S.S.P.	7739.335	25258	7794.202	24833
Sulphuric Acid	522.832	943	610.531	1047
(iv) Purchase of Finished Products:-				
S.S.P.	3900.000	12480	3910.500	12910
(v) Closing Stock of Finished Products:-				
S.S.P.	4327.607	12766	7739.335	25258
Sulphuric Acid	250.388	416	522.832	943
(vi) Sales:-				
S.S.P.	121744.400	301753	152562.300	365427
Sulphuric Acid	2106.025	4555	321.515	709
b) Raw materials consumed including purchase through canalised agencies:-				
Rock Phosphate	59859.976	190506	77414.434	276688
Sulphuric Acid	36352.343	—	47155.332	—
Sulphur	12706.091	41275	15963.056	61082
Gypsum	12227.795	14993	15653.037	14464
c) C.I.F. value of imported raw materials without considering materials purchased through canalised agencies:-				
Rock Phosphate	2200.000	3890	25150.000	62227
Sulphur	11950.000	22080	4450.000	10923
d) Value of Packing Materials, Stores, Spares & accessories				
Consumed (all indigenous)	—	22672	—	30597
14. Earning in Foreign Exchange	—	—	—	—
15. Expenditure in Foreign Currency				
- Books & Periodicals	—	66	—	—



16. SEGMENT INFORMATION

The business segments have been identified on the basis of the products manufactured by the Company i.e. S.S.P. & Sulphuric Acid. Mainly Sulphuric Acid is captively used for production of SSP. The company is managed organisationally as an unified entity, hence geographical segments have not been identified.

	(Rs.in '000)
	Year ended March 31, 2002
1. Segment Revenue	
(A) SSP	386322
(B) Sulphuric Acid	65159
Total segment revenue	451481
Less : Inter-segment revenue	60605
Net sales/Income from operations	390876
2. Segment profit/(Loss) before tax and interest	
(A) SSP	1681
(B) Sulphuric Acid	2776
Total	4457
Less :	
i) Interest expense (Net)	7315
ii) Unallocated revenue & expenditure (Net)	(475)
Net Profit/(Loss) from ordinary activities	(2383)
3. Capital Employed	
(Segment assets - Segment liabilities)	
(A) SSP	240409
(B) Sulphuric Acid	54302
Total	294711

17. For the purpose of calculation of Earning Per Share in accordance with Accounting Standard 20 issued by ICAI, profit after tax Rs.155696 and 45,05,000 equity shares of Rs.10/- each fully paid up have been considered.

18. Deferred Tax Accounting:-

During the year the Company has adopted Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Consequently,



net deferred tax credit as at 31st March, 2001 of Rs.15825 has been recorded by reducing the said amount from Profit and Loss Account as at 31st March, 2002. Further, the deferred tax credit for the year Rs.399 has been recognised in the Profit and Loss Account for the year. Details of Deferred Tax Assets/(Liabilities) as on 31.03.2002 are as follows:

- Items under Section 43B of IT Act	Rs.	102
- Unabsorbed Business Loss	Rs.	2935
- Unabsorbed Depreciation	Rs.	5580
- Depreciation	Rs.	<u>(24043)</u>
Net Deferred Tax Assets/(Liabilities)	Rs.	<u>(15426)</u>

19. Related Party Disclosures :

List of Related Parties:

Associates

HSB Agro Industries Limited

HSB Leasing Limited

Directors

Hardev Singh

Mrs. Joginder Kaur

Inderdeep Singh

Transactions with Related Parties

Name of the Related Party	Nature of Transaction during the year	Year end balance (Rs. in '000)	Amount (Rs. in '000)
HSB Agro Industries Limited	• Purchase of SSP		
	Fertiliser	0	12480
	• Purchase of Raw Materials	983	7803
	• Purchase of Packing Materials	346	346
HSB Leasing Limited	• Rent for Office Premises	0	90
	• Hire Purchase Finance of Vehicles	308	1088
	i. Principal		(As on 1.4.2001)
	ii. Interest	26	326
	• Finance of New Godowns	6145	8200



20. Figures in the Balance Sheet and Profit and Loss Account have been rounded off to the nearest thousands.
21. Previous year's figures have been re-arranged/re-grouped wherever necessary.

Signature to Schedules 1 to 15

Siliguri,
The 31st July, 2002

Hardev Singh
Managing Director

Inderdeep Singh
Director

J. Tiwari
Company Secretary



TEESTA AGRO INDUSTRIES LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956)

I. Registration Details :

Registration No.	: 41245 of 1986	State Code	: 21
Balance Sheet Date	: 31.03.2002	(Amount in Rs. Thousands)	

II. Capital raised during the year:

Public Issue	: Nil	Rights Issue	: Nil
Bonus Issue	: Nil	Private placement	: 11150

III. Position of Mobilisation and Deployment of Funds:

Total Liabilities	: 294711	Total Assets	: 294711
Source of Funds			
Paid-up Capital	: 56200	Reserves & Surplus	: 81221
Secured Loans	: 42673	Unsecured Loans	: 99191
Deferred Tax Liabilities	: 15426		
Application of Funds			
Net Fixed Assets *	: 123654	Investments	: Nil
Net Current Assets	: 170982	Misc. Expenditure	: 75
Accumulated Losses	: Nil		

* Includes 5,605 towards capital work-in-progress

IV. Performance of Company:

Turnover	: 392022	Total Expenditure	: 394405
(Including Other Income)			
Profit/(Loss) before tax:	(2383)	Profit/(Loss) after tax :	(1984)
Earning per Share in Rs. :	34.40	Dividend rate % :	Not Applicable

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

Item Code No. (ITC Code) : 280700.01
Product Description : Sulphuric Acid
Item Code No. (ITC Code) : 310310.00
Product Description : Single Super Phosphate
Item Code No. (ITC Code) : 310310.00
Product Description : Granulated Single Super Phosphate

Siliguri,
The 31st July, 2002

Hardev Singh
Managing Director

Inderdeep Singh
Director

J. Tiwari
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2002**

(Rs. in '000)

	For the year ended 31st March, 2002	For the year ended 31st March, 2001
A. Cash Flow from Operating Activities :		
Net profit/(loss) before tax and Extraordinary Items	(2383)	(18678)
Adjustments for :		
Depreciation	10959	10625
Interest Charged (Net)	7315	5839
Deferred Revenue Expenditure	242	242
Loss on Sale of Assets	-	68
	<u>18516</u>	<u>16774</u>
Operating Profit before working Capital Changes :	16133	(1904)
Adjustments for :		
Trade and other receivables	63513	4851
Inventories	(1089)	(6787)
Trade Payable	(71330)	55855
	<u>(8906)</u>	<u>53919</u>
Cash Generated from Operations	7227	52015
Interest Paid	(7742)	(6227)
Direct Taxes Paid	-	-
	(515)	45788
Extraordinary items	-	-
Net Cash from operating activities	(515)	45788
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(12433)	(9412)
Sale of Fixed Assets	-	500
Interest Received	469	253
Sale of Investments	-	-
Net Cash used in Investing Activities	<u>(11964)</u>	<u>(8659)</u>
Carried Forward	(12479)	37129



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2002

(Rs. in '000)

	For the year ended 31st March, 2002	For the year ended 31st March, 2001
Brought Forward	(12479)	37129
C. Cash Flow from Financing Activities :		
Proceeds from Borrowings from Promotors	18575	52
Re-payment of principal to Financial Inst.	(38298)	
Increase in Cash Credit and Deferred Sales Tax	16617	7064
Encashment of Refund Orders	-	-
Net cash used in Financing Activities	(3106)	7116
Net increase in Cash and Cash Equivalent (A+B+C)	(15585)	44245
Cash and Cash Equivalent at 01/04/2001 (Opening Balance)	47355	3110
Cash and Cash Equivalent at 31/03/2002 (Closing Balance)	31770 (15585)	47355 44245

For and on behalf of Board of Directors

Hardev Singh

Managing Director

Inderdeep Singh

Director

Siliguri,

J. Tiwari

Company Secretary

The 31st July, 2002

Auditors' Certificate

The above Cash Flow Statement has been Compiled from and is based on the audited accounts of Teesta Agro Industries Limited for the year ended 31st March, 2002 reported by us on 31st July, 2002. 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.

Siliguri,

The 31st July, 2002

R. B. MANTRY

Partner

For and on behalf of
MANTRY & ASSOCIATES
Chartered Accountants

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