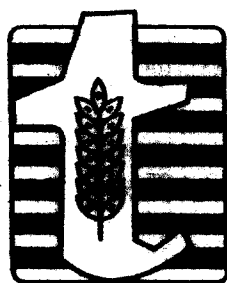


17th
ANNUAL REPORT
AND ACCOUNTS, 2003



TEESTA AGRO INDUSTRIES LIMITED



BOARD OF DIRECTORS

Chairman-Cum-Managing Director

Sri Hardev Singh

Directors

Smt. Joginder Kaur
Sri Paramdeep Singh
Sri R. C. Wadhwa
Sri Inderdeep Singh
Sri U. C. Sahoo
Sri Thakur Singh
Sri U. S. Goel
Sri Manjit 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



TEESTA AGRO INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of Teesta Agro Industries Limited will be held at the Registered Office of the Company at Mazabari, Raiganj, Jalpaiguri, West Bengal on Thursday, the 30th October 2003 at 11.00 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, 2003 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 Mr. R. C. Wadhwa who, retires by rotation and being eligible, offers himself 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. Thakur 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 consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution :-

" Resolved that Mr. U. S. Goel 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."

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

" Resolved that Mr. Manjit 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."



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

" Resolved that Mr. U.C. Sahoo 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 and further that in accordance with the Provisions of Section 198, 269, 309 and all other applicable provisions of the companies Act, 1956 including Schedule XIII to the said Act, the company hereby approves his appointment and remuneration as whole time Director for a period of five years w.e.f. December 1st, 2002 on the terms and conditions as laid down in the Explanatory Statement and further that the remuneration payable to him will be the minimum remuneration payable even in case of loss or inadequacy of profit in any financial year during his tenure ."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :-

" Resolved that, in accordance with the applicable provisions of the Companies Act, 1956, the Listing Agreement with Stock Exchanges and the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, or any amendment or modification thereof, and subject to such other approvals, permissions and sanctions as may be necessary, and such conditions and modifications as may be prescribed or imposed by any Authority while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors of the Company (the Board") or any Committee / person(s) authorized by the Board, consent be and is hereby accorded to delist the Ordinary Shares of the Company from the Stock Exchanges at Ludhiana, Delhi and Kolkata .

Resolved further that authority be and is hereby accorded to the Board or any Committee/ person(s) authorized by the Board, to settle all questions, difficulties or doubts that may arise in this regard and to do all such acts, deeds and things as may be necessary, expedient and desirable, for the purpose of giving effect to this Resolution."

Siliguri Office :
Kapil Centre, 2nd Mile
Sevoke Road
Siliguri - 734401
Date : The 20 th September, 2003

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



TEESTA AGRO INDUSTRIES LIMITED

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 27th October, 2003 to 30th October, 2003, 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. Details regarding Directors as per Clause 49 of the Listing Agreement seeking appointment / reappointment are as under:-

Name	Date of Birth	Age	Qualification	Experience	Other Directorship and Membership of any Committee
U.C.Sahoo	06.12.56	47	M.S.C & M.B.A.	25 years as senior Exec. Officer	Nil
Thakur Singh	24.08.54	49	Matriculate	Experience In Mechanical Field	Nil
U.S.Goel	01.04.69	34	Chemical Engineer	Experience In S.A. Plant	Nil
Manjit Singh	15.03.59	44	Matriculate	Experience In agriculture	Nil



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

Item No. 4

Mr. Thakur Singh was appointed Additional director of the Company in the Board Meeting held on 30.11.02 . 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. Thakur Singh for the office of Directorship of the Company. Mr. Thakur 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 and except Mr. Thakur Singh, no Director of the Company is concerned or interested in the resolution being item no. 4 in the notice .

Item No. 5

Mr. U.S. Goel was appointed Additional Director of the Company in the Board Meeting held on 20.02.03 . 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. U.S. Goel for the office of Directorship of the Company . Mr. U. S. Goel 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 and except Mr. U. S. Goel, no Director of the company is concerned or interested in the resolution being item no. 5 in the notice .

Item No. 6

Mr. Manjit Singh was appointed Additional Director of the company in the Board Meeting held on 19.03.03. 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. Manjit Singh for the office of Directorship of the company . Mr. Manjit 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 .



TEESTA AGRO INDUSTRIES LIMITED

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

Save and except Mr. Manjit Singh, no Director of the company is concerned or interested in the resolution being item no. 6 in the notice .

Item No. 7

Mr. U.C. Sahoo was appointed as Additional and whole time Director of the company in the Board Meeting held on 30.11.02 . 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. U. C. Sahoo for the office of Directorship of the company . Mr. U. C. Sahoo 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 .

Further the brief terms of appointment of Mr. U. C. Sahoo as Whole Time Director are as under :

- i) The appointment is with effect from 01.12.02 for a period of five years .
- ii) Salary @ Rs. 50,000 p.m.
- iii) Free use of telephone at residence . Personal long distance calls made by Mr. U.C.Sahoo will be billed to him by the company .
- iv) Company's contribution to Provident Fund and Gratuity Fund will be as per the rules of the company.
- v) Entitlement of leave will be as per the rules of the company .

The above will be the minimum remuneration payable to Mr. U. C. Sahoo even in case of loss or inadequacy of profit in any financial year during his tenure

The above may be treated as abstract of Mr. U. C. Sahoo's terms of appointment as Whole Time Director as per Section 302 of the companies Act, 1956 .

The Board of Directors recommends the resolution for approval of the Members of the company.

Save and except Mr. U. C. Sahoo, no Director of the company is concerned or interested in the resolution being item no. 7 in the notice .

Item No. 8

The Ordinary Shares of Rs. 10/- each of your company , commonly known as ' Equity Shares ' , are presently listed on the following four Stock Exchanges in India :

- a) The Stock Exchange , Mumbai (BSE)
- b) The Delhi Stock Exchange Association Ltd.
- c) The Calcutta Stock Exchange Association Limited .
- d) The Ludhiana Stock Exchange Association Limited .



Data on trading volumes indicates that the company's shares, are not traded in material volumes at Stock Exchanges other than BSE . BSE accounts for more than 95% of the traded volumes of the company's shares and has extensive networking of trading terminals, which facilitates trading by Members / Investors across the country . The trading volumes in the Company's shares on other Stock Exchanges are either nil or insignificant . Continued listing on such Stock Exchanges neither serves the interest of the Members / Investors nor that of the company .

The Board of Directors of your company (the Board) at its meeting held on 30th July, 2003, accordingly recommended for the approval of the Members, the proposal to voluntarily delist the company's shares from the Stock Exchanges at Kolkata, Delhi and Ludhiana . The company's shares will however continue to be listed on the BSE .

Delisting of the company's shares from the aforesaid Stock Exchanges would result in administrative convenience and saving in costs on account of listing fees etc.

In accordance with the Securities and Exchange Board of India (Delisting of securities) Guidelines 2003, consent of the Members by way of a Special Resolution is required for voluntary delisting of the company's shares from the aforesaid Stock Exchanges .

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. 8 in the Notice .

Siliguri Office :
Kapil Centre
2nd Mile, Sevoke Road
Siliguri - 734401
Date : September 20th, 2003

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



TEESTA AGRO INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE MEMBERS OF TEESTA AGRO INDUSTRIES LIMITED

Your Directors' take pleasure in presenting the Seventeenth Annual Report of the Company together with Audited Statement of Accounts for the year ended 31st March 2003 .

1. FINANCIAL RESULTS

	Current Year	Previous Year
	Rs. Lacs	Rs. Lacs
Total turnover & other receipts	3395.40	3920.22
Operating Profit before Interest,		
Depreciation and other non cash expenses	107.72	163.18
Less : Interest on Loan	51.90	77.42
Cash Profit/(Loss)	55.82	85.76
Less : Depreciation and other non cash expenses	113.59	109.59
Profit / (Loss) for the year	(57.77)	(23.83)
Provision for taxation	23.45	3.99
Profit / (Loss) after tax	(34.32)	(19.84)
Interest waiver as per BIFR sanctioned scheme	-	1576.80
Add : Profit / (Loss) brought forward from		
Previous year	647.89	(750.82)
Addition to loss due to deferred tax accounting	-	(158.25)
Profit / (Loss) carried forward to next year	613.57	647.89

2. DIVIDEND

Taking into consideration the overall 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, 2003 .

3. OPERATION

During the year under review, the turnover and other receipts of your Company stood at Rs. 3395.40 lacs as against Rs. 3920.22 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. 34.32 lacs as against Rs. 19.84 lacs in the previous year.



4. FUTURE PROSPECT

Your Directors expect better financial result in the years to come . The Company has already commence the exercise of cost control which has already started yielding result. There are also plans for expansion and diversification. In this regard your Directors are presently considering the total capital expenditure to be incurred and consequent resource mobilization avenues .

5. BIFR

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 accounts of 2001 - 02 but following benefits has not been given effect till date due to pending approval of the same from the respective authorities :-

i) The State Government of West Bengal has been represented to consider waiver of sales tax upto 31.03.2001 and to consider remission of sales tax for a further period of 9 years from 01.04.2001. These reliefs and concessions have not yet has been sanctioned by the State Government,

ii) The West Bengal State Electricity Board (WBSEB) has been 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) has been 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 reliefs and concessions have not yet been sanctioned by the CBDT .

In terms of BIFR order dated 24th July, 2003, the company has ceased to be a sick industrial company within the meaning of Section 3(1)(0) of the Sick Industrial Companies (Special Provisions) Act, 1985 .

6. DIRECTORS

Mr. R.C. Wadhwa retires by rotation at the forth coming Annual General Meeting and being eligible has offered himself for reappointment.

Mr. U. C. Sahoo , Mr. Thakur Singh , Mr. U. S. Goel and Mr. Manjit Singh were appointed as Additional Directors in the Board Meetings held on 30.11.02 , 30.11.02, 20.02.03 and 19.03.03 respectively. The company has received four seprate Notices in writing from the Members of the company, to the effect that they would propose the respective names of Mr. U.C.Sahoo, Mr. Thakur Singh, Mr. U.S Goel and Mr. Manjit Singh for the office of Director in the forth coming Annual General Meeting. The above Notices have been sent under section 257 of the Companies Act, 1956.



TEESTA AGRO INDUSTRIES LIMITED

Mr. U. C. Sahoo, Mr. Thakur Singh , Mr. U. S. Goel and Mr. Manjit Singh have expressed their willingness to act as Directors, if elected.

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

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 read with relevant Notes on Accounts are self - explanatory and does not call for further clarification .

12. CORPORATE GOVERNANCE REPORT

The Corporate Governance Report including certificate of the auditors thereon is annexed and marked as Annexure A which forms part of this report .

13. MANAGEMENT DISCUSSION & ANALYSIS

A statement of management discussion and analysis is annexed and marked as Annexure B which forms part of this report .



14. DELISTMENT OF COMPANY'S EQUITY SHARES FROM KOLKATA, DELHI & LUDHIANA

Your Directors propose to delist the Company's Equity Shares from Kolkata, Delhi and Ludhiana for administrative convenience and curtailment of unnecessary expenses.

15. 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 various State Govt. Your Directors are also grateful to shareholders and employees for the continued support to the Company .

Siliguri Office :

Kapil Centre

2nd Mile, Sevoke Road

Siliguri-734401

Date : The 20th September 2003

For and on Behalf of the Board of Directors

(Hardev Singh)

Chairman - cum - Managing Director



TEESTA AGRO INDUSTRIES LIMITED

ANNEXURE - A

CORPORATE GOVERNANCE REPORT

Company's Philosophy on the Code of Governance

Corporate Governance primarily involves transparency, full disclosure, independent monitoring the state of affairs and being fair to all the shareholders

The corporate governance code introduced by the Securities and Exchange Board of India, has been incorporated in Clause 49 in the Listing Agreement of the Stock Exchanges and in the Companies (Amendment) Act, 2000.

The objective of your company is not only to meet the statutory requirements of the code but to go well beyond it by instituting such systems and procedures as are in accordance with the latest global trend of making management completely transparent and institutionally sound.

Your company has always believed in the concept of good corporate governance involving transparency, empowerment, accountability, and integrity with a view to enhancing shareholder value. The company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

Board of Directors

Composition :

The company has a combination of Executive and Non-Executive Directors. The company has an Executive Chairman and more than 50% of the total number of Directors are independent Directors. Further, more than 50% of the Directors comprise of non executive directors.

None of the Directors on the Board is a member of more than ten committees and chairman of more than five committees as per clause 49(iv)(B), across all the companies in which he is a Director. All the Directors have made requisite disclosure regarding committee positions occupied by them in other companies.

The company's Board at present has Nine Directors comprising of one Managing Director, one Executive Director and seven non executive Directors.

The Board met nine times on the following dates during the financial year 2002-2003 and the gap between the two meetings did not exceed four months :

- i) April 30th, 2002
- ii) July 31st, 2002
- iii) September 26th, 2002
- iv) October 28th, 2002
- v) October 31st, 2002
- vi) November 30th, 2002
- vii) January 31st, 2003
- viii) February 20th, 2003
- ix) March 19th, 2003



The name and categories of the Directors on the Board, their attendance at Board meetings held during the year and at the last Annual General Meeting as also the number of directorships and committee positions as held by them in other public Limited Companies as on March 31st, 2003 are given below :-

Name	Category	No. of Board Meetings Attended During 02-03	Whether attended AGM held on 26.09.02	No. of Directorship in other public Ltd. Companies	No. of Committee positions held in other public Ltd. Companies	
					Chairman	Member
H.Singh	Promoter & Non Ind. Exec.	8	Yes	3	1	2
J.Kaur	Independent Non Exec.	7	No	2	-	1
I. Singh	Non Indep. Non Exec.	1	No	2	-	1
P. Singh	Non Indep. Non Exec.	2	Yes	2	-	1
R.C.Wadhaw	Indep. Non Exec.	0	No	-	-	1
T.Singh	Indep. Non Executive	0	No	-	-	1
U.S.Goel	Indep. Non Executive	0	No	-	-	1
U.C.Sahoo	Executive	0	No	-	-	1
Manjit Singh	Indep. Non Executive	0	No	-	-	1



TEESTA AGRO INDUSTRIES LIMITED

AUDIT COMMITTEE

The Audit Committee of the company was constituted in the Board Meeting held on 24.01.2003. The power vested in the Audit Committee is as per Clause 49(ii)(C) of the Listing Agreement. The terms of references of the audit committee as stipulated by the board are in accordance with all the terms listed in Clause 49(ii)(D) of the Listing Agreement as follows :

- i) To review reports of the Internal Audit Department and recommend to the Board to decide about the scope of its work including examination of major items of expenditure .
- ii) To meet statutory and internal auditors periodically and discuss their findings, suggestions and other related matters .
- iii) To review the auditors report on the financial statement and to seek clarification thereon, if required from the auditors .
- iv) To review the weaknesses in internal control, if any reported by the internal and statutory auditors and report to the board the recommendations relating thereto .
- v) To act as a link between the statutory and internal auditors and the Board of Directors .
- vi) To recommend a change of the auditors if in the opinion of the committee of the auditors have failed to discharge their duties adequately .
- vii) And generally, all items listed in Clause 49(ii)(D) of the Listing Agreement. The company has complied with the requirements of Clause 49(i)(A) as regards the composition of the Audit Committee .

The Audit Committee of Teesta Agro Industries Ltd. as on 31.03.03 comprised of the following three Directors of the company :-

Thakur Singh	- Member	- Independent, Non Executive Director
R. C. Wadhwa	- Member	- Independent, Non Executive Director
Paramdeep Singh	- Member	- Non Independent, Non Executive Director

Mr. Thakur Singh has wide exposure in accounts and finance . Mr. J. Tiwari being Company Secretary of the company acts as the Secretary of the committee . Since the audit committee was formed in the Board Meeting held on 24.01.03, no meeting of the committee was held during 2002 - 2003 .

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Terms of reference

The company has an independent Shareholders' Grievance Committee which was constituted on 24.01.03 to look into redressal of investors' complaints and requests like delay in transfer of Equity shares, non receipt of dividend, annual report etc.



The Committee comprises of :-

- i) Mr. Paramdeep Singh - Chairman
- ii) Mr. Hardev Singh - Member
- iii) Mr. U. C. Sahoo - Member

Mr. J. Tiwari, Company Secretary acts as Secretary to the committee .

REMUNERATION COMMITTEE

Since formation of remuneration committee is not obligatory as per Clause 49 (corporate governance code) of the Listing Agreement, your company has not formed such a committee .

REMUNERATION OF DIRECTORS

Since your company's net worth has been fully eroded and it has been referred to BIFR, the Directors have waived sitting fees payable to them . For similar reasons, the Managing Director has also waived his salaries and perquisites which he is entitled to .



TEESTA AGRO INDUSTRIES LIMITED

Detail on General Meetings :

Location, Date and time of General Meetings held during three last years :

Year	Location	AGM/ EGM	Date	Day	Time	No. of Special Resolution
1999 - 2000	Teesta Agro Indus. Limited Mazabari, Raiganj Dist. Jalpaiguri	AGM	30.09.00	Saturday	11.15 am	-
2000 - 2001	Same, as above	AGM	25.09.01	Tuesday	01.00 pm	-
2001 - 2002	Same as above	AGM	26.09.02	Thursday	09.00 am	4

Three of the four special resolution were put through postal ballot last year .

Three Special Resolution for the following business was passed by the company through postal ballot at 16th AGM held on 26.09.2002 :-

Alteration of object clause of the company

Procedure adopted for Postal Ballots was as under :

- i) Members entitled to attend and vote at the meeting indicated their assent or dissent to the special resolution by voting through Postal Ballot Form and by returning the same in the postage prepaid envelope so as to reach the scrutinizer before the date specified in this regard in the postal ballot form .
- ii) The postal ballot forms, duly completed and signed were received at the registered office of the company at Mazabari, Rajganj, Dist. Jalpaiguri .
- iii) Postal ballots received by the company after the date specified in the postal ballot forms was treated as if the reply from Member(s) was not received .
- iv) Incomplete, unsigned or incorrectly ticked ballots were rejected .
- v) The company had appointed Mr. P. Bhattacharya as the scrutinizer for conducting the postal ballot voting process in a fair and transparent manner .
- vi) The scrutinizer submitted his report vide his letter dated 23.09.02
- vii) The resolutions of the postal ballot were declared by the Chairman at the meeting



Approval for alteration of object clause

	Item No. 5 of AGM Notice dtd. 31.07.02	Item No. 6 of AGM Notice dtd. 31.07.02	Item No. 7 of AGM Notice dtd. 31.07.02
Total number of Postal Ballots received from the members	149	149	149
Total number of votes held by the members who voted by postal ballot	973050	973050	973050
Number of postal ballots in favour of the special resolution	125	130	125
Vote in favour of the special resolution	970250	970245	970250
Number of postal ballots against the special resolution	24	19	24
Votes against the special resolution	2800	2805	2800
Number of postal ballots invalid	Nil	Nil	Nil
Not voted for			

DISCLOSURES **RELATED PARTY TRANSACTIONS**

Related party transactions are defined as transactions of the company of a material nature with its promoters, Directors of the management, their subsidiary or relatives etc. that may have potential conflict with the interests of the company at large .

Among the related party transactions are contracts or arrangement made by the company from time to time with the companies in which Directors are Interested. All these contracts or arrangements are entered in a register of contract under Section 301 of the Companies Art, 1956 and the register is placed before every Board Meeting .

All transactions covered under the related party transactions are regularly ratified and / or approved by the board .

There has been no transaction of the company with its promoters, their subsidiary or the management that may have potential conflict with the interest of the company at large .

Transaction with the related parties are disclosed in Note No.19 of schedule XVI to the accounts in the Annual Report .



TEESTA AGRO INDUSTRIES LIMITED

GENERAL SHAREHOLDER INFORMATION

Means of Communication :

The quarterly results are published in the leading English Daily(The Asian Age) and Bengali newspaper (Dainik Lipi).

Management Discussion and analysis is a part of the annual report .

Compliance Officer

Mr. J. Tiwari

Company Secretary

Teesta Agro Industries Limited

63/1/2, Sarat Bose Road

Kolkata - 700 042

Annual General Meeting

Date and Time

: October 30th, 2003 at 11.00 a.m.

Venue

: Teesta Agro Industries Ltd.

Mazabari, Rajganj

Dist. Jalpaiguri, West Bengal

Financial Calendar

: Year ending - March 31st, 2003

Date of Book Closure

: 27.10.03 To 30.10.2003

Dividend payment date

: NA

Listing on Stock Exchanges

: The Company's securities are listed on the following stock exchanges in India

The Stock Exchange, Mumbai

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai - 400001

The Calcutta Stock Exchange Association Ltd.

7, Lyons Range

Kolkata - 700001

The Delhi Stock Exchange Association Ltd.

DSE House, 3/1 Asaf Ali Road

New Delhi 110002

The Ludhiana Stock Exchange Association Ltd.

Feroze Gandhi Market

Ludhiana - 141001

The company has paid the Annual Listing Fees to each of the above stock Exchanges for the financial year 2003 - 2004 .

TEESTA AGRO INDUSTRIES LIMITED



Demat ISIN in CDSL for Equity Shares : ISIN INE 757D01011
Share Registrar and Transfer Agents :

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata - 700001

Tel. : 2243-5029/5809
Fax : 2248-4787
E-mail : mdpl@cal.vsnl.net.in
Business Hours : 10.00 a.m. to 5.30 p.m.

Share Transfer System

Share Transfers in physical form can be lodged with Maheshwari Datamatics Pvt. Ltd. at the above mentioned address. The transfers are normally processed within 10-12 days from the date of receipt if the documents are complete in all respects. The company also offers transfer - cum - demat facility for the convenience of the investors.

Dematerialisation of shares and Liquidity

The Company's share capital is dematerialized as on 31.03.03

Address of Regd. Office and
Location of Plant.

: Mazabari, Rajganj
Dist. Jalpaiguri, West Bengal



TEESTA AGRO INDUSTRIES LIMITED

**Auditors' Certificate on Compliance of Corporate Governance
Under Clause 49 of the Listing Agreement**

TO
The Members of
Teesta Agro industries Limited

We have examined the compliance of the conditions of Corporate Governance by Teesta Agro Industries Limited for the year ended on March 31st, 2003 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India, with the relevant records and documents maintained by the Company furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management, Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the condition of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

On the basis, of our review and according to the information and explanations given to us, we state that in respect of investor grievances received during the year ended March 31st, 2003, no investor grievances are pending against the company for a period exceeding one month as per the records maintained by the company which are presented to the shareholder/investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Siliguri,
The 20th September, 2003

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



ANNEXURE - B

MANAGEMENT DISCUSSION & ANALYSIS

Overview

Teesta Agro Industries Ltd. is a leading manufacturer of Sulphuric Acid and Single Super Phosphate fertilizer. Its plant is located at Mazabari, Rajganj Dist. Jalpaiguri, West Bengal. It has six sales offices all situated in the Eastern and North Eastern Regions. The installed capacity of SSP is 1,32,000 MT, GSSP is 66,000 MT and that of SA is 49,500 MT.

Opportunities & Threats

The Company's factory at Rajganj, Jalpaiguri is the only running SSP fertilizer unit in North Bengal including North Eastern States. The company derives an inherent advantage in as much as it has its own sulphuric acid plant for captive consumption of sulphuric acid which is a key ingredient for manufacture of fertilizer. However, the plant is situated far away from the port and therefore the transportation cost for bringing the imported raw materials to the factory site from the port is exorbitant. This adversely affects the profit margin. Due to extensive marketing network in North Bengal and North Eastern State, the increasing sales volume of the company offsets to a great extent the cost of transporting the raw materials from port to the factory site.

Outlook for Teesta Agro Industries Ltd.

The fertilizer industry in general and Teesta Agro Industries Ltd. in particular is very optimistic about the announcement by the Central Government in the very near future of a pro - industry fertilizer policy. Your company has excellent pack of plant and machinery which are in smooth running condition and the excellent indigenous manufacturing technology will definitely boost the productivity of your company. The company has a high level of operational efficiency both at macro and micro level of organization. The company is in constant endeavor to effectively focus on marketing driven by specific customer needs. The company is also in process of financial restructuring exercise and it is hoped that on successful completion of the same the debt service burden will reduce drastically thereby positively affecting the bottom line of the company.

Human Resource Development

The company provides ample congenial working atmosphere, so that employees/ workers can put their best efforts towards their respective responsibilities. The company provides scope for career growth also. Training programmes are also conducted to update their knowledge.



TEESTA AGRO INDUSTRIES LIMITED

Adequacy of Internal Control

The company has a proper, independent and adequate system of internal control to ensure that all assets are safeguarded and protected against Loss from unauthorized use or disposition and that transactions are authorized recorded and reported correctly .

The internal control systems are supplemented by an extensive programme of internal audit, review by management of documented policies, guidelines and procedures

The internal control system of the company are designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets .



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, 2003, signed by us under reference to this report and the relative Profit and Loss Account and the Cash Flow Statement for the year ended on that date. 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 Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements 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, we report that :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of those books.
3. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
4. In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India, referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
5. Based on the representations made by the Directors of the Company and the information and explanations given to us, none of the Directors of the Company is, prima-facie, as at 31st



TEESTA AGRO INDUSTRIES LIMITED

March, 2003, disqualified from being appointed as Director of a Company in terms section 274(1)(g) of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with Accounting Policies & Practices and other Notes of the same schedule, gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of balance Sheet, of the state of affairs of the Company as at 31st March, 2003;
- In the case of Profit and Loss Account, of the loss of the company for the year ended on that date; and
- In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Siliguri,
The 20th September, 2003

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 hence taken as per book records.
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.
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.
8. Interest free advances in the nature of loans given to certain employees are generally being repaid as stipulated except for Rs.0.70 lakh (Previous year Rs.0.70 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.



TEESTA AGRO INDUSTRIES LIMITED

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, 2003.
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, 2003 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 accounts 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.

TEESTA AGRO INDUSTRIES LIMITED



19. The Company was a Sick Industrial Company as at the date of the Balance Sheet within the meaning of Section 3(1)(c) of the Sick Industrial Companies (Special Provisions) Act, 1985 and as indicated in note 2 on Schedule 16, a rehabilitation scheme has been sanctioned by the BIFR on 21st January, 2002. However the Company has ceased to be a sick industrial company in terms of BIFR order dated 24th July, 2003.

Siliguri,
The 20th September, 2003

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



TEESTA AGRO INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2003

(Rs. in '000)

		As at 31st March, 2003	As at 31st March, 2002
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	56,200	56,200
Reserves and Surplus	2	77,789	81,221
Loan Funds	3		
Secured Loans	3A	19,904	42,673
Unsecured Loans	3B	109,660	99,191
		129,564	141,864
Deferred Tax Liabilities (Note 18 on Schedule 16)		13,062	15,426
		276,635	294,711
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		211,332	202,405
Less: Depreciation		95,579	84,356
Net Block		115,753	118,049
Capital Work-in-Progress		14,894	5,605
Investments	5	266	-
Current Assets, Loans and Advances			
Inventories	6	51,337	85,579
Sundry Debtors	7	131,067	108,384
Cash and Bank Balances	8	10,239	31,770
Other Current Assets	9	2,758	2,954
Loans and Advances	10	22,798	9,457
		218,769	238,144
Less : Current Liabilities and Provisions	11		
Liabilities	11A	71,852	66,296
Provisions	11B	1,195	866
		73,047	67,162
Net Current Assets		145,722	170,982
Miscellaneous Expenditure (to the extent not written off or adjusted)	12	-	75
		276,635	294,711
Notes on Accounts	16		

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
Biliguri, the 20th September, 2003

Hardev Singh
Managing Director

Paramdeep Singh
Director

J. Tiwari
Company Secretary

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2003 (Rs.in '000)**

	Schedule	For the year ended 31st March, 2003	For the year ended 31st March, 2002
A. Income			
Sales		265,992	306,308
Govt. Rebate		67,555	84,568
Other Income	13	5,993	1,146
Closing Stock of Finished Goods		12,704	13,182
		352,244	405,204
B. Expenditure			
Opening Stock of Finished Goods		13,182	26,201
Finished Goods Purchased		-	12,480
Raw Materials Consumed	14	211,773	246,774
Consumption of Stores and Spares		22,299	22,672
Expenses	15	94,218	80,759
Depreciation		11,359	10,959
Interest		5,190	7,742
		358,021	407,587
Profit/(Loss) before Taxation		(5,777)	(2,383)
Provision for taxation :			
- Current		-	-
- Deferred		2,345	399
Profit/(Loss) after Taxation		(3,432)	(1,984)
Extraordinary Items :			
Interest provided in earlier years written off (on the basis of rehabilitation scheme sanctioned by BIFR) (Note 2 on Schedule 16) :			
Interest Waived by IDBI		-	92,718
Interest Waived by IFCI		-	31,514
Interest Waived by ICICI		-	38,448
Profit/(Loss) after Taxation & Extraordinary Items		(3,432)	195,696
Profit/(Loss) brought forward from previous year		64,789	(75,082)
Addition to loss due to deferred tax accounting (Note 18 on Schedule 16)		-	(15,825)
Balance carried forward to Balance Sheet		61,357	64,789
Earning per Equity Share			
- Basic (Rs.)		(0.96)	34.56
- Diluted (Rs.)		(0.96)	34.56
Notes on Accounts	16		

The Schedules referred to above form

part of the Profit and Loss Account.

Sriguri

The 20th September, 2003

Hardev Singh
Managing DirectorParamdeep Singh
DirectorJ. Tiwari
Company Secretary



TEESTA AGRO INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in '000)

	As at 31st March, 2003	As at 31st March, 2002
1. SHARE CAPITAL		
Authorised :		
80,00,000 Equity Shares of Rs.10/- each	80,000	80,000
20,00,000 8% Cumulative Preference Shares of Rs.10/- each	20,000	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	11,150
	56,200	56,200
2. RESERVES AND SURPLUS		
Capital Reserves	16,432	16,432
Profit and Loss Account	61,357	64,789
	77,789	81,221
3. LOAN FUNDS		
A. Secured Loans		
Term Loan from Financial Institutions	8,470	25,420
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	11,434	17,253
(Secured, by hypothecation of the Company's entire stocks, book debts and second charge on Fixed Assets) (Cash Credit Limit 20,000)		
	19,904	42,673
B. Unsecured Loans		
From Directors	18,630	18,630
Interest accrued and due on Short Term Loan	6	6
Deferred Sales Tax	91,024	80,555
	109,660	99,191

SCHEDULES FORMING PART OF THE BALANCE SHEET

4. FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as on 31.03.2002	Additions During the year	Sale/Adj. During the year	Original Cost as on 31.03.2003	Depreciation upto 31.03.2002	For the year	Sale/Adj. During the year	Depreciation upto 31.03.2003	As at 31st March, 2003	As at 31st March, 2002
Land (Freehold)	5,933	-	-	5,933	-	-	-	-	5,933	5,933
Buildings	75,824	8,031	-	83,855	14,154	2,423	-	16,577	67,278	61,670
Plant & Machinery	95,757	821	-	96,578	56,165	6,967	-	63,132	33,446	39,592
Electrical Installation	14,281	-	-	14,281	9,157	1,010	-	10,167	4,114	5,124
Furniture & Fixture	1,858	53	4	1,907	1,311	127	-	1,438	469	547
Office Equipment	1,581	55	-	1,636	1,488	148	-	1,636	-	93
Vehicles	7,171	370	369	7,142	2,081	684	136	2,829	4,513	5,090
	202,405	9,330	403	211,332	84,356	11,359	196	95,579	115,753	118,049
Previous Year	193,869	8,536	-	202,405	73,397	10,969	-	84,356	118,049	

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TEESTA AGRO INDUSTRIES LIMITED





TEESTA AGRO INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET (Rs. in '000)

	As at 31st March, 2003	As at 31st March, 2002
5. INVESTMENTS		
- Long term investments at cost		
Shares in Companies (Quoted)		
26,600 equity shares of Allahabad Bank of Rs.10/- each fully paid up (Aggregate cost of quoted investments 266, Market value of quoted investments 348)	266	
	266	
6. INVENTORIES		
- At cost		
Stores and Spares	7,162	5,576
Raw Materials	20,444	50,548
Raw Materials in Transit	11,027	16,273
- At lower of cost and net realisable value		
Finished Goods	12,704	13,182
	51,337	85,579
7. SUNDRY DEBTORS		
(Unsecured, considered good except as indicated below)		
Debts outstanding for a period exceeding six months (Includes Subsidy/Rebate receivable from State Government 12,224, Previous year 17,962)	37,872	34,970
Other Debts (Includes Subsidy/Rebate receivable from State Government 20,749, Previous year 18,182)	93,795	73,414
	131,667	108,384
8. CASH AND BANK BALANCES		
Cash in Hand	414	20
Cheques in Hand	4,357	1,420
Remittance in Transit	259	3,050
Balance with Scheduled Banks on :		
Current Accounts	1,151	3,822
Share Allotment Money Account	27	27
Refund Order Account (Note 4 on Schedule 16)	163	164
Fixed Deposit Account	3,868	23,267
(Pledged with Banks - being Margin against Bank guarantees, Letter of Credits, etc.)		
	10,239	31,770



SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in '000)

	As at 31st March, 2003	As at 31st March, 2002
9. OTHER CURRENT ASSETS (Unsecured, considered good)		
Interest accrued on National Saving Certificates and Fixed Deposit etc. with Banks	201	403
Duty Drawback Claims	331	331
Deposit with Government Authorities (Note 7 on Schedule 16)	1,543	1,537
Other Deposit	683	683
	2,758	2,954
10. LOANS AND ADVANCES (Unsecured, considered good)		
Advances recoverable in/cash or in kind or for value to be received		
Advances against Capital Expenditure	734	318
Other Advances	14,802	6,247
Tax Deducted at Source	662	622
Income Tax paid under protest	2,270	2,270
Sales Tax paid under protest	4,300	-
	22,768	9,457
11. CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors (Note 3 on Schedule 16)	71,079	65,546
Advances from Customers	637	614
Advances against sale of Fixed Assets	136	136
	71,852	66,296
B. Provisions		
Employees' Benefits	1,195	866
	1,195	866
12. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Share Issue Expenses	-	75
	-	75



TEESTA AGRO INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT (Rs. In '000)

	As at 31st March, 2003	As at 31st March, 2002
13. OTHER INCOME		
Interest Received from Bank	34	427
Profit on Sale of Fixed Assets	49	-
Sundry Receipt (Net)	5,910	719
	<u>5,993</u>	<u>1,146</u>
14. RAW MATERIALS CONSUMED		
Opening Stock	66,821	48,830
Purchase	128,011	208,129
Freight Inward	48,412	57,218
	<u>243,244</u>	<u>314,177</u>
Less: Sale of Material	582	
Less: Closing Stock	31,471	66,821
	<u>211,773</u>	<u>246,774</u>
15. EXPENSES		
Salaries, Wages and Bonus	13,715	13,564
Contribution to Provident and other welfare funds	694	812
Staff Welfare	1,148	505
Insurance	666	642
Rent	1,311	1,927
Rates and Taxes	111	125
Power and Fuel	21,858	20,477
Repairs and Maintenance:		
Building	1,397	838
Plant and Machinery	34,202	15,823
Other	383	191
	<u>35,982</u>	<u>16,952</u>
Advertisement	542	496
Carriage Outward	8,506	14,882
Commission on sales	-	6
Miscellaneous Expenses	9,802	10,129
Bad Debts Written Off	8	-
Miscellaneous Expenditure written off :		
Preliminary Expenses	-	13
Share Issue Expenses	75	229
	<u>75</u>	<u>242</u>
	<u>94,218</u>	<u>60,760</u>



TEESTA AGRO INDUSTRIES LIMITED

16. NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2003

(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 at cost on FIFO basis,
(b) Raw materials are valued at cost on FIFO basis,
(c) Finished goods are valued at lower of cost and net realisable value.
- 1.4 Sales exclusive of Excise Duty, Sales Tax and net of dealers' margin are recognised as revenue on despatches. The rebate receivable from Government on sale of Single Super Phosphate Fertilizer (SSP) 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 accounts of 2001-02 but following benefits has not been given effect till date 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.



TEESTA AGRO INDUSTRIES LIMITED

- 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. Nil (Previous year Rs.334) being deferred credits payable in respect of vehicles purchased under Hire Purchase Scheme.
4. Refund Order Account of Rs.163 (Previous year Rs.164)(Schedule 6) 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.2820 (Previous Year Rs.3123) 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.21844 (Previous Year Rs.22276) 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 31.03.2003, and not provided for is Rs.12585 (Previous year Rs.300).

(b) Contingent Liabilities	2002-03	2001-02
(Not provided for) in respect of :-		
- Letter of Credit	15399	10088
- Bank Guarantees	3220	1975
- Sales Tax matter under appeals	25990	25990
- Dividend on Preference Shares	1234	342
- Claims against the Company not acknowledged as debt	177	177

11. Consumption of raw materials includes foreign exchange gain of Rs.306 (Previous year loss of Rs.627).

12. Miscellaneous Expenses includes:-	2002-03	2001-02
(a) Amount Paid/Payable to Auditors:		
(1) Audit Fees	110	110
(2) In other Capacities:		
- Fees for Tax Audit	20	20
- Certification Jobs	15	30

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)	M.T.	M.T.
(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
Sulphuric Acid	49,500.000	49,500.000



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(ii) Actual Production				
S.S.P.		1,03,226.223	1,14,432.672	
Sulphuric Acid		34886.603	38,185.924	
G.S.S.P.		Nil	Nil	
	M.T.	Rs.('000)	M.T.	Rs.('000)
(iii) Opening Stock of Finished Products:-				
S.S.P.	4327.607	12766	7739.335	25258
Sulphuric Acid	250.388	416	522.832	943
(iv) Purchase of Finished Products:-				
S.S.P.	—	—	3900.000	12480
(v) Closing Stock of Finished Products:-				
S.S.P.	3498.730	11129	4327.607	12766
Sulphuric Acid	769.502	1575	250.388	416
(vi) Sales:-				
S.S.P.	104055.100	265968	121744.400	301753
Sulphuric Acid	13.500	24	2106.025	4555
b) Raw materials consumed including purchase through canalised agencies:-				
Rock Phosphate	56232.484	159851	59859.976	190506
Sulphuric Acid	34353.989	—	36352.343	—
Sulphur	11563.441	43338	12706.091	41275
Gypsum	5730.094	8584	12227.795	14993
c) C.I.F. value of imported raw materials without considering materials purchased through canalised agencies:-				
Rock Phosphate	5000.000	11546	2200.000	3890
Sulphur	4000.000	16502	11950.000	22080
d) Value of Packing Materials, Stores, Spares & Assessories (all indigenous)				
Consumed	—	22299	—	22672
14. Earning in Foreign Exchange		—		—

**15. Expenditure in Foreign Currency**

- Books & Periodicals	65	66
- Travelling	223	—

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 one unified entity, hence geographical segments have not been identified.

(Rs. in '000)

	Year Ended March 31, 2003	Year Ended March 31, 2002
1. Segment Revenue		
(A) SSP	333523	386322
(B) Sulphuric Acid	70567	65159
Total Segment Revenue	404090	451481
Less : Inter-Segment Revenue	70542	60605
Net Sales/Income from Operations	333548	390876
2. Segment Profit/(Loss) before tax and interest		
(A) SSP	(8409)	1681
(B) Sulphuric Acid	1912	2776
Total	(6497)	4457
Less :		
(i) Interest Expense (Net)	(5156)	(7315)
(ii) Unallocated Revenue & Expenditure (Net)	5876	475
Net Profit/(Loss) from Ordinary Activities	(5777)	(2383)
3. Capital Employed (Segment Assets – Segment Liabilities)		
(A) SSP	211869	240409
(B) Sulphuric Acid	64767	54302
Total	276636	294711
4. Capital Expenditure	18619	12434
5. Depreciation for the period	242	203



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17. For the purpose of calculation of Earning Per Share in accordance with Accounting standard 20 issued by ICAI, profit after tax after adjustment of Preference dividend (Rs. 4324) and 45,04,950 equity shares of Rs.10/- each fully paid up have been considered.

18. **Deferred Tax Accounting:-**

As per the Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred tax credit for the year Rs.2345 has been recognised in the Profit and Loss Account for the year. Details of Deferred Tax Assets/(Liabilities) as on 31.03.2003 are as follows:

- Items under Section 43B of IT Act	Rs. 218
- Unabsorbed Business Loss	Rs. 2864
- Unabsorbed Depreciation	Rs. 6036
- Depreciation	Rs. (22200)
Net Deferred Tax Assets/(Liabilities)	Rs. (13082)

19. **Related Party Disclosures :**

List of Related Parties:

Associates: HSB Agro Industries Limited

HSB Leasing Limited

Directors: Hardev Singh

Mrs. Joginder Kaur

Inderdeep Singh

Paramdeep Singh

Transactions with Related Parties.:

Name to the Related Parties	Nature of Transaction during the year	Year end balance (Rs. in '000)	Amount (Rs. in '000)
HSB Agro Industries Limited	* Plant & Machinery Purchased	0	2315
HSB Lesasing Limited	* Rent paid for use of Office Space	0	90
	* Finance of New Godowns	3177	8200
	* Hire Purchase of Vehicles	0	304
	* Project finannce	13844	14400



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 16

Siliguri,	Hardev Singh	Paramdeep Singh	J. Tiwari
The 20th September, 2003	Managing Director	Director	Company Secretary



TEESTA AGRO INDUSTRIES LIMITED

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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	:	31.03.2003	(Amount in Rs. Thousands)		

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	:	276635	Total Assets	:	276635
Source of Funds :					
Paid-up Capital	:	56200	Reserves & Surplus:		77789
Secured Loans	:	19904	Unsecured Loans :		109660
Deferred Tax Liabilities :		13082			
Application of Funds:					
Net Fixed Assets *	:	130647	Investments	:	266
Net Current Assets	:	145722	Misc. Expenditure :		Nil
Accumulated Losses	:	Nil			

* Includes 14,894 towards capital work-in-progress

IV. Performance of Company:

Turnover	:	339540	Total Expenditure :		345317
(Including Other Income)					
Profit/(Loss) before tax :		(5777)	Profit/(Loss) after tax:		(3432)
Earning per Share in Rs.:		(0.96)	Dividend rate %	:	Not Applicable

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

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

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Product Description	:	Single Super Phosphate
Item Code No. (ITC Code)	:	3,10,310.00
Product Description	:	Granulated Single Super Phosphate

Siliguri,	Hardev Singh	Paramdeep Singh	J. Tiwari
The 20th September, 2003	Managing Director	Director	Company Secretary



TEESTA AGRO INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2003 (Rs. in '000)

	For the year ended 31.3.2003	For the year ended 31.3.2002
A. Cash Flow from Operating Activities :		
Net profit/(loss) before tax and Extraordinary Items	(5777)	(2383)
Adjustments for :		
Depreciation	11359	10959
Interest Charged (Net)	5156	7315
Deferred Revenue Expenditure	75	242
Loss on Sale of Assets	(49)	-
Operating Profit before working Capital Changes :	16541	18516
Adjustments for :	10764	16133
Trade and other receivables	(36196)	63513
Inventories	34242	(1089)
Trade Payable	5885	(71330)
	3931	(8906)
Cash Generated from Operations	14695	7227
Interest Paid	(5190)	(7742)
Direct Taxes Paid	-	-
	9505	(515)
Extraordinary items	-	-
Net Cash from operating activities	9505	(515)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(18619)	(12433)
Sale of Fixed Assets	317	-
Interest Received	(168)	469
Purchase of Investments	(266)	-
Net Cash used in Investing Activities	(18736)	(11964)
Carried Forward	(9231)	(12479)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2003 (Rs.in '000)**

	For the year ended 31.3.2003	For the year ended 31.3.2002
Brought Forward	(9231)	(12479)
C. Cash Flow from Financing Activities :		
Proceeds from Borrowings from Promoters	-	18575
Re-payment of principal to Financial Inst.	(16950)	(38298)
Increase in Cash Credit and Deferred Sales Tax	4650	16617
Encashment of Refund Orders	-	-
Net cash used in Financing Activities	(12300)	(3106)
Net increase in Cash and Cash Equivalent (A+B+C)	(21531)	(15585)
Cash and Cash Equivalent (Opening Balance)	31770	47355
Cash and Cash Equivalent (Closing Balance)	10239 (21531)	31770 (15585)

Siliguri,
The 20th September, 2003

For and on behalf of Board of Directors
 Hardev Singh Managing Director
 Paramdeep Singh Director
 J. Tiwari Company Secretary

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, 2003 reported by us on 20th September, 2003. 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 20th September, 2003

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