

**19TH
ANNUAL REPORT
AND ACCOUNTS, 2005**



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 Prem Singh

Sri Manjit Singh

Secretary

Sri J. Tiwari

Auditors

Mantry & Associates

Bankers

State Bank of India

Allahabad Bank

Corporate Office

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

Registered Office & Works

Rajganj, Jalpaiguri, West Bengal, Pin : 735134

Share Registrar

Maheshwari 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 Nineteenth Annual General Meeting of Teesta Agro Industries Limited will be held at the Registered Office of the Company at Mazabari, Rajganj, Jalpaiguri, West Bengal on Friday, the 30th September 2005 at 3.00 P.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, 2005 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon .
2. a) To appoint a Director in place of Mr. Paramdeep Singh who, retires by rotation and being eligible, offers himself for re - appointment.
b) 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, the following resolution as an ordinary resolution :-

“ Resolved that Mr. Prem 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 .”

Siliguri Office :
Kapil Centre,
2nd Mile, Sevoke Road
Siliguri - 734401
Date : The 26th August, 2005

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

Company Secretary



NOTES :-

1. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is enclosed .
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company . The proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting .
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 27th September, 2005 to 30th September, 2005 both days inclusive .
4. 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.
5. The details as per Listing Agreement with concerned Stock Exchange(s) regarding Directors retiring by rotation and being eligible for reappointment are as under :-

Name	Date of Birth	Age	Qualification	Experience	Other Directorship and Membership of any Committee
Pramdeep Singh	22.10.79	25	Graduate	Six Year Experience in Manufacturing Industry	Nil
R. C. Wadhwa	01.03.44	61	Engineer	Twenty Years experience in Manufacturing Industry	Nil



TEESTA AGRO INDUSTRIES LIMITED

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

Item No. 4

Mr. Prem Singh was appointed as Additional Director of the company in the Board Meeting held on 28.03.2005 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. Prem Singh for the office of Directorship of the company . Mr. Prem 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. Prem Singh, no Director of the company is concerned or interested in the resolution being Item No. 4 in the notice.

Siliguri Office :
Kapil Centre,
2nd Mile, Sevoke Road
Siliguri - 734401
Date : The 26th August, 2005

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

Company Secretary



DIRECTORS' REPORT

TO THE MEMBERS OF TEESTA AGRO INDUSTRIES LIMITED

Your Directors take pleasure in presenting the Nineteenth Annual Report of the Company together with Audited Statement of Accounts for the year ended 31st March, 2005 .

1. FINANCIAL RESULTS

	Current Year Rs. Lacs	Previous year Rs. Lacs
Total turnover & other receipts	3924.67	2988.16
Operating Profit before Interest, Depreciation and other non cash expenses	347.29	303.20
Less: Interest on Loan	95.42	101.18
Cash Profit / (Loss)	251.87	202.02
Less: Depreciation and other non cash expenses	142.30	132.34
Profit / (Loss) for the year	109.57	69.68
Provision for taxation	(39.44)	(27.38)
Profit / (Loss) after tax	70.13	42.30
Add : Profit / (Loss) brought forward from Previous year	544.37	613.57
Transferred to Capital Redemption Reserve Account	-	111.50
Profit/(Loss) carried forward to next year	614.50	544.37

2. DIVIDEND

Your Directors do not recommend payment of dividend in respect of the year ended 31st March 2005 mainly due to augmenting working capital requirements to partly fund the expansion and diversification programmes of the company at hand.

3. OPERATION

The turnover and other receipts of your Company has been Rs. 3924.67 lacs as against Rs.2988.16 lacs in the previous year. Profit after taxation stood at Rs. 70.13 lacs as against Rs. 42.30 lacs in the previous year. Your Directors are pleased to state that, in spite of cut throat competition, your company managed to scale up higher turnover due to effective marketing policies undertaken by your company . This directly affected the bottom line which clocked an increase of nearly Rs. 28.00 lacs over the previous year figure of Rs. 42.30 lacs.



4. FUTURE PROSPECT

In view of India's growing economy and the Central Government's emphasis on Agriculture and Agri based industries, your Directors feel that your company will be able to capitalize on the growing economic scenario. Your company is poised to register top line and bottom line growth in future.

Your company, in collaboration with local company / individuals in Egypt, will soon form a company there. Your company's equity participation in the proposed joint venture company in Egypt will not be less than 51% . The proposed joint venture company will manufacture Di Ammonium Phosphate, Phosphoric Acid, Sulphuric Acid and will also engage in mining activities . The formation of joint venture company in Egypt will auger well for your company which will be the holding company of joint venture company .

5. DIRECTORS

Mr. Paramdeep Singh & Mr. R.C.Wadhwa retire by rotation in the forthcoming Annual General Meeting and both being eligible have offered themselves for reappointment.

Mr. Prem Singh was appointed Additional Director of the company with effect from 28.03.2005 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. Prem Singh for Directorship of the company in the forthcoming Annual General Meeting . Mr. Prem Singh has expressed his willingness to act as Director, if elected, and has filed requisite consent under Section 264(1) of the company's Act, 1956.

6. 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.

7. EMPLOYEES

No employee has been in receipt of salary of Rs. 24 lacs or more per annum or Rs. 2 lacs or more per month during any part of the year under review and hence the necessary details as per the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not required to be furnished .

8. CONSERVATION OF ENERGY

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

9. AUDITORS

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

10. AUDITORS' REPORT

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

11. CORPORATE GOVERNANCE REPORT

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

12. MANAGEMENT DISCUSSION & ANALYSIS

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



TEESTA AGRO INDUSTRIES LIMITED

13. 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 26th August, 2005

For and on Behalf of the Board of Directors

(Hardev Singh)
Chairman - cum - Managing Director



ANNEXURE - A

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 motors/equipments added/replaced |
| b) Additional Investments/proposals, if any | } | during the year are energy efficient. One |
| c) Impact of the measures at (a) and (b) above | } | 0.8 MW steam turbine has been installed to generate power from waste steam. |

FORM A

Disclosure of particulars with respect to Conservation of Energy

A. Power & Fuel Consumption

		2004-05		2003-04	
		FERTILISER	S.ACID	FERTILISER	S.ACID
1. Electricity					
(a) Purchased Units	'000 KWH	1793.694	842.514	1345.041	744.316
Total Amount	Rs.Lakhs	78.09	36.68	58.46	32.35
Rate/Unit	Rs.	4.35	4.35	4.35	4.35
(b) Own Generation Units	'000 KWH	25.979	12.486	40.959	18.684
Unit per litre of Diesel Oil KWH		2.61	2.61	2.74	2.74
Cost per Unit	Rs.	10.15	10.15	8.05	8.05
2. Coal		NA	NA	NA	NA
3. (a) HSD	'000 Ltrs.	29.150	9.00	22.400	7.320
(b) Total Amount	Rs.lakhs	7.72	2.39	5.46	1.61
4. (a) Furnace Oil	'000 Ltrs	84.00	-	36.000	-
(b) Total Amount	Rs. lakhs	12.48	-	7.56	-
5. Other internal generation		NA	NA	NA	NA

B. Consumption per unit of production

	Electricity (KWH/Tonne)	F.Oil/LDO/HSD (Litres/Tonne)	
		2003-04	2004-05
1. Fertiliser	17.78	14.82	1.11
2. S.Acid	24.41	27.92	0.26

**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	NA
3. Future Plan of action	NA
4. Expenditure 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 :	NA
2. Benefits derived as a result of the above effects :	NA

Foreign Exchange Earnings and Outgo :		2004-05	2003-04
i)	Earnings	Nil	Nil
ii)	Outgo		
	CIF value of imports	Rs./Lakhs 566.48	630.18
	Travelling, Periodicals & Others	Rs./Lakhs 3.17	0.75



ANNEXURE-B

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, two Executive Director and six non Executive Directors .

The Board met six times on the following dates during the Financial Year 2004 - 2005 and the gap between the two meetings did not exceed four months :

- a) April 30th, 2004
- b) July 30th, 2004
- c) August 19th, 2004



TEESTA AGRO INDUSTRIES LIMITED

- d) October 30th, 2004
- e) January 31st, 2005
- f) March 28th, 2005

The names 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, 2005 are given below:-

Name	Category	No. of Board Meetings Attended During 04-05	Whether attended AGM held on 21.09.04	No. of Directorship in other Public Ltd. Companies	No. of Committee positions held in other Public Ltd. Companies	
					Chairman	Member
H. Singh	Promoter & Non Independent Executive	6	Yes	1	-	-
J.Kaur	Independent Non Executive	6	No	1	-	-
I. Singh	Non Independent. Non Executive.	6	No	1	-	-
P. Singh	Non Independent. Executive.	6	Yes	1	-	-
R.C.Wadhwa	Independent. Non Executive	6	No	-	-	-
U.C.Sahoo	Executive	6	Yes	-	-	-
Thakur Singh	Independent Non Executive	0	No.	-	-	-
Manjit Singh	Independent Non Executive	0	No	-	-	-
Prem Singh	Independent Non Executive	0	No.	-	-	-



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 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 Limited as on 31.03.2005 comprised of the following three Directors of the company :-

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



SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Terms of Reference

The company has an, independent Shareholders Grievance Committee which was constituted on 24.01.2003 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

The Directors have waived sitting fees payable to them and the Managing Director has also waived his salaries and perquisites which he is entitled to. As regards Mr. U.C. Sahoo and Mr. Paramdeep Singh, whole time director.

The company has paid to Mr. U.C.Sahoo, a total salary of Rs. 6.00 lacs for the year 2004-2005. Further, the company's contribution to Provident Fund on his account is to the extent of Rs. 72,000 for the year under review . He has not been paid any other allowances or perquisites . Therefore, the total remuneration package of Mr. U.C.Sahoo is Rs. 6,72,000 in respect of the year 2004 - 2005 .

The company has paid to Mr. Paramdeep Singh five months @ Rs. 30,000 per month salary of Rs. 1.50 lacs for the year 2004 - 2005. Further, the company's contribution to Provident Fund on his account is to the extent of Rs. 18,000 for the year under review. He has not been paid any other allowances or perquisites . Therefore the total remuneration package of Mr. Paramdeep Singh is Rs. 1,68,000 in respect of the year 2004 - 2005 . Mr. Paramdeep Singh was appointed Whole Time Director of the company with effect from 30.10.2004 .



Detail on General Meetings :

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

Year	Location	AGM/ EGM	Date	Day	Time	No. of Special Resolution
2001- 2002	Teesta Agro Indus. Limited Mazabari, Reajganj Dist. Jalpaiguri	AGM	26.09.02	Thursday	09.00 am.	4
2002- 2003	Same, as above	AGM	30.09.03	Thursday	11.00 am	4
2003- 2004	Same, as above	AGM	21.09.04	Tuesday	12.30 pm	Nil

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 contracts under Section 301 of the Companies Act, 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 transactions 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. 17 of schedule 15 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 news paper (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 - 700 025

Annual General Meeting

Date and Time : September 30th, 2005 at 3.00 p.m.
Venue : Teesta Agro Industries Limited
Mazabari, Rajganj
Dist. Jalpaiguri, West Bengal

Financial Calendar : Year ending - March 31st, 2005

Date of Book Closure : 27.09.2005 to 30.09.2005

Dividend payment date : NA

Distribution of Shareholding as on 31st March, 2005

Range			Shareholders		Shares	
No. of Shares			Number	% to total holders	Numbers	% to Total Capital
1	to	500	14595	95.8624	1881899	41.3607
501	to	1000	338	2.2200	286990	6.3074
1001	to	2000	148	0.9720	247561	5.4409
2001	to	3000	36	0.2364	92000	2.0219
3001	to	4000	9	0.0591	34100	0.7494
4001	to	5000	48	0.3152	232000	5.0989
5001	to	10000	25	0.1642	186630	4.1017
10001	and	Above	26	0.1707	1588820	34.9191
			15225	100.0000	4550000	100.0000



Listing on Stock Exchange : The Company's securities are listed on the following Stock Exchanges in India :-

The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001	: The Calcutta Stock Exchange Association Ltd. 7, Lyons Range Kolkata - 700 001
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The Delhi Stock Exchange Association Ltd. House, 3/1 Asaf Ali Road New Delhi-110 002	The Ludhiana Stock Exchange Association Ltd. DSE Feroze Gandhi Market Ludhiana-141 001
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Demat ISIN in CDSL for Equity Shares : ISIN INE 757D01011
(The Company has not yet received ISIN No. from NSDL)

Share Registrar and Transfer Agents

Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, 2nd Floor Kolkata - 700 001	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.
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Share Transfer System

Share Transfer 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.

Dematerialization of Shares and Liquidity

Since the company has not yet received ISIN No. from NSDL, no equity share of the company has been dematerialized as on 31.03.05

Address of Regd. Office and Location of Plant	: Mazabari, Rajganj Dist. Jalpaiguri, West Bengal
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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 31, 2005 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 conditions 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 31, 2005, 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 Shareholders/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 26th August, 2005

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



ANNEXURE-C

MANAGEMENT DISCUSSION & ANALYSIS

Overview

Teesta Agro Industries Limited 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 Rs. 1,65,000 MT, GSSP is 66,000 MT, SA is 66,000 MT and that of NPK is 33,000 MT.

Operation

The turnover and other receipts of your Company has been Rs. 3924.67 lacs as against Rs.2988.16 lacs in the previous year . Profit after taxation stood at Rs. 70.13 lacs as against Rs. 42.30 lacs in the previous year.

Your Directors are pleased to state that, in spite of cut throat competition, your company managed to scale up higher turnover due to effective marketing policies undertaken by your company . This directly affected the bottom line which clocked an increase of nearly Rs. 28.00 lacs over the previous year figure of Rs. 42.30 lacs.

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 States, 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.

However, the threat of import of products manufactured by your company looms large and this has the potential of adversely affecting the business of the company due to demand constraints.



Outlook for Teesta Agro Industries Ltd.

The Central Government's overwhelming emphasis on agriculture and irrigation including making cheap availability of credit to the farm sector will definitely boost the sales volume and consequently the profit margin of the company marketing network has already been streamlined to enable the company to gear up to meet the new challenges including increasing the overall market share in the fertilizer segment.

Your company has already drawn from plans to set up a subsidiary company in Egypt for manufacture of Di Ammonium Phosphate, Phosphoric Acid, Sulphuric Acid and will also engage in mining activities . It is expected that, once this subsidiary company as and when it starts operation on full scale, the shareholders' value of your company will increase substantially.

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.

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, 2005, 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 statement presentation. We believe that our audit provides reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 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 of the books and records of the company 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 the law have been kept by the company, so far it appears from our examination of those books.
3. The Balance Sheet and the Profit and Loss Account and cash flow statement 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 March, 2005, disqualified from being appointed as Director of a Company in terms of 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 schedule 15, give 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, 2005;
- In the case of Profit and Loss Account, of the profit 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 26th August, 2005

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. (a) The Company has maintained proper records showing full particulars including quantitative details and situations of its fixed assets.
- (b) 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.
- (c) No substantial part of fixed assets of the Company has been disposed off during the year.
2. (a) The stocks of finished goods, stores, spare parts, and raw materials (other than items in transit and lying with third parties) of the company have been physically verified by the management at the year-end.
- (b) 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.
- (c) The company has maintained proper records of inventories. 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. The discrepancies between the physical stocks and book stocks were not material, and hence taken as per book records.
3. (a) 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.
- (b) The Company has granted interest free unsecured loan of Rs. 21.90 Lakhs, to Nepun Cement & Power Ltd. a company listed in the Register maintained under Section 301 of the Companies Act, 1956.



- (c) Interest free small advances in the nature of loans given to certain employees are generally being repaid as stipulated.
4. 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.
 5. 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.5,00,000 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.
 6. The Company has not accepted any deposits from the public during the year.
 7. 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.
 8. 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.
 9. (a) 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. As on 31st March, 2005, there were no amounts outstanding in respect of undisputed Income Tax, Wealth Tax, Sales Tax, Customs Duty, Service Tax and Excise Duty which were due for more than six months from the date they became payable.

(b) Disputed sales tax, excise duty and customs duty have been disclosed in the note 7(b) of schedule 15, under the head "contingent liabilities not provided for" to the accounts in the Annual Reports.
 10. The company has no accumulated losses and has not incurred cash losses during the current financial year and in the immediately preceding financial year.



11. During the year, the company has not defaulted in repayment of its dues to financial institutions and banks.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the company.
14. In our opinion the company is not dealing or trading in shares, securities, debentures or other investments and therefore, the requirement of paragraph 4(xiv) of the Order is not applicable to the company.
15. The company has not given any guarantee for the loans taken by others from banks or financial institutions.
16. The company has not taken any term loan during the year.
17. On the basis of our examination of the cash flow statement and overall examination of balance sheet, we report that the funds raised on short-term basis have not been used for long-term investments and vice versa.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
19. The company has not issued debentures during the financial year.
20. The company has not raised any money by public issue.
21. On the basis of our examination and according to the information and explanation given to us, no fraud, on or by the company, has been noticed or reported during the course of our audit.

Siliguri,
The 26th August, 2005

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

**BALANCE SHEET AS AT 31ST MARCH, 2005**

(Rs. in '000)

	Schedule	As at 31st March, 2005	As at 31st March, 2004
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	45,050	45,050
Reserves and Surplus	2	92,782	85,769
Loan Funds	3		
Secured Loans	3A	21,709	21,750
Unsecured Loans	3B	130,853	119,030
		152,562	140,780
Deferred Tax Liabilities		18,905	15,820
(Note 14 on Schedule 15)			
		309,299	287,419
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		294,747	271,033
Less: Depreciation		120,228	106,135
Net Block		174,519	164,898
Capital Work-in-Progress		5,250	10,099
Investments	5	266	266
Current Assets, Loans and Advances			
Inventories	6	84,985	59,734
Sundry Debtors	7	67,219	84,909
Cash and Bank Balances	8	101,384	12,792
Other Current Assets	9	2,865	2,724
Loans and Advances	10	34,401	28,469
		290,854	188,628
Less : Current Liabilities and Provisions	11		
Liabilities	11A	160,419	75,122
Provisions	11B	1,171	1,350
		161,590	76,472
Net Current Assets		129,264	112,156
		309,299	287,419
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 26th August, 2005

Hardev Singh
Managing Director

Paramdeep Singh
Director

J. Tiwari
Company Secretary

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2005**

(Rs.in '000)

	Schedule	For the year ended 31st March, 2005	For the year ended 31st March, 2004
A. Income			
Sales		327,875	237,360
Govt. Rebate		62,566	57,277
Other Income	12	2,026	4,179
Closing Stock of Finished Goods		24,628	18,892
		417,095	317,708
B. Expenditure			
Opening Stock of Finished Goods		18,892	12,704
Raw Materials Consumed	13	276,998	203,641
Consumption of Stores and Spares		23,302	16,351
Expenses	14	63,174	54,692
Depreciation		14,230	13,234
Interest		9,542	10,118
		406,138	310,740
Profit/(Loss) before Taxation		10,957	6,968
Provision for taxation :			
- Current		(859)	-
- Deferred		(3,085)	(2,738)
Profit/(Loss) after Taxation		7,013	4,230
Transfer to Capital Redemption Reserve		-	(11,150)
Profit/(Loss) brought forward from previous year		54,437	61,357
Profit/(Loss) carried forward to Balance Sheet		61,450	54,437
Earning per Equity Share			
- Basic (Rs.)		1.56	0.94
- Diluted (Rs.)		1.56	0.94
Notes on Accounts	15		

The Schedules referred to above form
part of the Profit and Loss Account.

Siliguri
The 26th August, 2005

Hardev Singh
Managing Director

Paramdeep Singh
Director

J. Tiwari
Company Secretary



SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in '000)

	As at 31st March, 2005	As at 31st March, 2004
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
2. RESERVES AND SURPLUS		
Capital Reserves	20,182	20,182
Capital Redemption Reserve	11,150	11,150
Profit and Loss Account	61,450	54,437
	92,782	85,769
3. LOAN FUNDS		
A. Secured Loans		
Cash Credit with Banks		
(Secured, by hypothecation of the Company's entire stocks, book debts and second charge on Fixed Assets) (Cash Credit Limit 35,000)	21,709	21,750
	21,709	21,750
B. Unsecured Loans		
From Directors	18,630	18,630
Interest accrued and due on Short Term Loan	6	6
Deferred Sales Tax	112,217	100,394
	130,853	119,030

SCHEDULES FORMING PART OF THE BALANCE SHEET
4. FIXED ASSETS

(Rs. in '000)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as at 31.03.2004	Additions During the year	Sale/Adj. During the year	Original Cost as at 31.03.2005	Depreciation upto 31.03.2004	For the year	Sale/Adj. During the year	Depreciation upto 31.03.2005	As at 31st March, 2005	As at 31st March, 2004
Land (Freehold)	5,933	911	-	6,844	-	-	-	-	6,844	5,933
Buildings	102,763	14,940	-	117,703	19,511	3,210	-	22,721	94,982	83,252
Plant & Machinery	136,254	7,874	-	144,128	71,342	9,058	-	80,400	63,728	64,912
Electrical Installation	14,281	-	-	14,281	11,177	1,009	-	12,186	2,095	3,104
Furniture & Fixture	1,907	212	-	2,119	1,559	131	-	1,690	429	348
Office Equipment	1,684	129	-	1,813	1,684	42	-	1,726	87	-
Vehicles	8,211	-	352	7,859	862	780	137	1,505	6,354	7,349
Total	271,033	24,066	352	294,747	106,135	14,230	137	120,228	174,519	164,898
Previous Year	211,332	64,068	4,367	271,033	95,579	13,234	2,678	106,135	164,898	





SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in '000)

	As at 31st March, 2005	As at 31st March, 2004
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 Rs. 1889)	266	266
	266	266
6. INVENTORIES		
- At cost		
Stores and Spares	6,172	5,918
Raw Materials	44,457	33,851
Raw Materials in Transit	9,728	1,073
- At lower of cost and net realisable value		
Finished Goods	24,628	18,892
	84,985	59,734
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 5,725, Previous year 6,100)	21,302	13,988
Other Debts (Includes Subsidy/Rebate receivable from State Government 15,329, Previous year 26,602)	45,917	70,921
	67,219	84,909
8. CASH AND BANK BALANCES		
Cash in Hand	134	245
Cheques in Hand	-	1,259
Remittance in Transit	-	344
Balance with Scheduled Banks on :		
Current Accounts	38,093	3,366
Share Allotment Money Account	27	27
Refund Order Account		163
Fixed Deposit Account	63,130	7,388
(Pledged with Banks - being Margin against Bank guarantees, Letter of Credits, etc.)		
	101,384	12,792

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Rs. in '000)

	As at 31st March, 2005	As at 31st March, 2004
9. OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Interest accrued on National Saving Certificates and Fixed Deposit etc. with Banks	267	128
Duty Drawback Claims	331	331
Deposit with Government Authorities	1,547	1,545
Other Deposit	720	720
	2,865	2,724
10. LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
Advances against Capital Expenditure	304	304
Other Advances	24,515	19,301
Tax Deducted at Source	912	794
Income Tax paid under protest	2,870	2,270
Sales Tax paid under protest	5,800	5,800
	34,401	28,469
11 CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors	159,922	74,539
(Note 2 on Schedule 15)		
Advances from Customers	461	547
Advances against sale of Fixed Assets	36	36
	160,419	75,122
B. Provisions		
Employees' Benefits	1,171	1,350
	1,171	1,350



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

(Rs. in '000)

	As at 31st March, 2005	As at 31st March, 2004
12. OTHER INCOME		
Interest Received from Bank	850	593
Profit on Sale of Fixed Assets	297	133
Sundry Receipt (Net)	879	3,453
	<u>2,026</u>	<u>4,179</u>
13. RAW MATERIALS CONSUMED		
Opening Stock	34,925	31,471
Purchase	226,954	148,255
Freight Inward	69,304	58,840
	<u>331,183</u>	<u>238,566</u>
Less: Closing Stock	<u>54,185</u>	<u>34,925</u>
	<u>276,998</u>	<u>203,641</u>
14. EXPENSES		
Salaries, Wages and Bonus	16,916	15,349
Contribution to Provident and other welfare funds	1,029	846
Staff Welfare	2,143	843
Insurance	809	731
Rent	694	637
Rates and Taxes	327	266
Power and Fuel	15,942	12,517
Repairs and Maintenance:		
Building	568	299
Plant and Machinery	7,777	7,200
Other	143	295
	<u>8,488</u>	<u>7,794</u>
Advertisement	612	584
Carriage Outward	4,414	5,369
Miscellaneous Expenses	11,800	9,343
Loss on Sale of Fixed Assets		413
	<u>63,174</u>	<u>54,692</u>



TEESTA AGRO INDUSTRIES LIMITED

15. NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2005

(All figures in Rs.'000)

1. SIGNIFICANT ACCOUNTING POLICIES

- 1.1 Fixed Assets are valued at cost (net of CENVAT claimed) 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 Investments are valued at cost.
- 1.4 (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.
- 1.5 Sales exclusive of Excise Duty, Sales Tax and net of dealers' margin are recognised as revenue on dispatches. The rebate receivable from Government on sale of Single Super Phosphate Fertilizer (SSP & GSSP) is also recognised on accrual basis.
- 1.6 Transactions in foreign currencies are reflected at rates at which transactions are settled; assets and liabilities valued at contract/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.
- 1.8 No borrowing costs have been capitalized during the year.
2. Sundry Creditors include outstanding balance of Rs. Nil (Previous year Rs.1973) being deferred credits payable in respect of vehicles purchased under Hire Purchase Scheme.
3. Purchase Tax and Service Tax amount currently not ascertainable have not been accounted for, as according to the company management these are not payable.
4. Sundry Debtors and advances (considered good) include certain overdue debts/ old advances aggregating to Rs.2346 (Previous Year Rs.2589) for which necessary steps are being taken for realisation and as such no provision there against is considered necessary in these accounts.
5. Other income includes Rs.47 (Previous Year Rs.2997), which represent old outstanding balances written back (net).



6. 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.

7. (a) Estimated amount of Capital Commitments net of advances as at 31.03.2005, and not provided for is Rs.1157 (Previous year Rs.2235).

(b) Contingent Liabilities	2004-05	2003-04
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(Not provided for) in respect of :-

- Letter of Credit	9331	9605
- Bank Guarantees	3220	3220
-Sales Tax matters under appeals	25567	25990
-Income tax matters under appeals	19118	21844
-Other legal cases	600	31

8. Consumption of raw materials includes foreign exchange gain of Rs.1317 (Previous year gain of Rs.1645).

9. Miscellaneous Expenses includes:-	2004-05	2003-04
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(a) Amount Paid/Payable to Auditors:

(1) AUDIT FEES	110	110
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(2) In other Capacities:

- Fees for Tax Audit	20	20
- Certification Jobs	25	15

10. 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.), Mixture Fertilisers (N:P:K) 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)	1,65,000.000	1,65,000.000
G.S.S.P.	66,000.000	66,000.000
N : P : K	33,000.000	33,000.000
Sulphuric Acid	66,000.000	66,000.000



(ii) Actual Production

S.S.P.	96,115.201	94,426.065
G.S.S.P.	2,860.850	2,425.900
N : P : K	3,391.250	539.000
Sulphuric Acid	35,020.164	27,330.849

	M.T.	Rs.('000)	M.T.	Rs.('000)
(iii) Opening Stock of Finished Products:-				
S.S.P.	5825.915	17032	3498.730	11129
G.S.S.P.	269.900	846	769.502	1575
N:P:K	49.000	244	—	—
Sulphuric Acid	345.798	770	—	—
(iv) Closing Stock of Finished Products:-				
S.S.P.	5380.266	17379	5825.915	17032
G.S.S.P.	23.250	97	269.900	846
N:P:K	664.000	3525	49.000	244
Sulphuric Acid	1271.806	3627	345.798	770
(v) Sales:-				
S.S.P.	93700.000	299750	86174.250	228632
G.S.S.P.	3107.500	9325	2156.000	5995
N : P : K	2776.250	18204	490.000	2694
Sulphuric Acid	211.815	596	15.405	40
b) Raw materials consumed including purchase through canalised agencies:-				
Rock Phosphate	53303.046	190009	50413.807	149637
Sulphuric Acid	33882.341	—	31370.373	—
Sulphur	11283.652	69220	9000.440	39300
Gypsum	—	—	1801.001	2713
Dolomite	3976.394	2860	1534.415	975
Urea	558.309	2713	75.888	399
DAP	929.655	8689	141.217	1042
MOP	709.417	3348	107.800	473
SOA	16.939	159	22.000	49



- c) C.I.F. value of imported raw materials without considering materials purchased through canalised agencies:-

Rock Phosphate	8000.000	25314	18900.000	41749
Sulphur	6600.000	31334	5732.509	21269

- d) Value of Packing materials, stores, spares and assessories (all indigenous):-

Consumed	—	23302	—	16351
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- e) Raw materials in transit include materials of Rs.629 lying with third parties.

11. Earning in Foreign Exchange	Nil	Nil
Expenditure in Foreign Currency		
- Books & Periodicals	84	75
- Travelling	233	—

12. 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.

	Year Ended March 31, 2005	Year Ended March 31, 2004
1. Segment Revenue		
(A) Fertiliser	389845	294597
(B) Sulphuric Acid	92386	68576
Total Segment Revenue	482231	363173
Less : Inter-Segment Revenue	91790	68536
Net Sales/Income from Operations	390441	294637
2. Segment Profit/(Loss) before tax and interest		
(A) Fertiliser	14032	4982
(B) Sulphuric Acid	4441	7926
Total	18473	12908
Less :		
(i) Interest Expense (Net)	(8692)	(9525)
(ii) Unallocated Revenue & Expenditure (Net)	1176	3585
Net Profit/(Loss) from Ordinary Activities	10957	6968



3. Capital Employed (Segment Assets – Segment Liabilities)		
(A) Fertiliser	224327	208828
(B) Sulphuric Acid	84972	78590
Total	309299	287418
4. Capital Expenditure	19217	54905
5. Depreciation for the period	366	1595

13. For the purpose of calculation of Earning Per Share in accordance with Accounting Standard 20 issued by ICAI, profit after tax Rs.7013 and 45,04,950 equity shares of Rs.10/- each fully paid up have been considered.

14. 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.3085) has been recognised in the Profit and Loss Account for the year. Details of Deferred Tax Assets/(Liabilities) as on 31.03.2005 are as follows:

a. - Items under Section 43B of IT Act	Rs.	196
b. - Unabsorbed Business Loss	Rs.	(0)
c. - Unabsorbed Depreciation	Rs.	4114
d. - Depreciation	Rs.	(23215)
e. Net Deferred Tax Assets/(Liabilities)	Rs.	(18905)

15. Provision for income tax has been made under section 115B (Minimum Alternate Tax) of the Income Tax Act, 1961 since there is no taxable income under normal conditions, in view of set off of accumulated losses/unabsorbed depreciation available to the Company u/s 72A of the income Tax Act, 1961.
16. Management has evaluated impairment of assets as required by Accounting Standard 28 which was made mandatory for accounting period commencing on or after 1st April, 2004. On evaluation, management is of the opinion that there is no impairment of the Company's assets as on 31st March, 2005.



17. Related Party Disclosures:

Serial No.	Party	Relationship
1.	Mr. Hardev Singh, Chairman & MD Mr. U. C. Sahoo, Executive Director Mrs. Joginder Kaur, Director Mr. Inderdeep Singh, Director Mr. Paramdeep Singh, Director	Key management personnel -Do- -Do- -Do- -Do-

Transaction with the related parties:

Name of the Key Management Personnel	Nature of Transaction during the year	Year end balance (Rs. in '000)	Amount (Rs. in '000)
1) Mr. U. C. Sahoo 2) Mr. Paramdeep Singh	Remuneration and PF contribution	Nil Nil	672 168

Related parties are identified by the management.

18. Figures in the Balance Sheet and Profit and Loss Account have been rounded off to the nearest thousands.

19. Previous year's figures have been regrouped/recasted wherever necessary.

Signature to Schedules 1 to 15

Siliguri,
The 26th August, 2005

Hardev Singh
Managing Director

Paramdeep 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	: 31.03.2005	(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	: 309299	Total Assets	: 309299
Source of Funds	:		
Paid-up Capital	: 45050	Reserves & Surplus	: 92782
Secured Loans	: 21709	Unsecured Loans	: 130853
Deferred Tax Liabilities	: 18905		
Application of Funds	:		
Net Fixed Assets *	: 179769	Investments	: 266
Net Current Assets	: 129264	Misc. Expenditure	: Nil
Accumulated Losses	: Nil		

* Includes 5,250 towards capital work-in-progress

IV. Performance of Company:

Turnover	: 392467	Total Expenditure	: 381510
Profit/(Loss) before tax	: 10957	Profit/(Loss) after tax	: 7013
Earning per Share in Rs.:	1.56	Dividend rate %	: NA

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 26th August, 2005

Hardev Singh
Managing Director

Paramdeep Singh
Director

J. Tiwari
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2005

(Rs.in '000)

	For the year ended 31.3.2005	For the year ended 31.3.2004
A. Cash Flow from Operating Activities :		
Net profit/(loss) before tax and Extraordinary Items	10957	6968
Adjustments for :		
Depreciation	14230	13234
Interest Charged (Net)	8692	9525
Loss/(Profit) on Sale of Assets	(297)	280
	22625	23039
Operating Profit before working Capital Changes :	33582	30007
Adjustments for :		
Trade and other receivables	11478	41164
Inventories	(25251)	(8397)
Trade Payable	85118	3425
	71345	36192
Cash Generated from Operations	104927	66199
Interest Paid	(9542)	(10118)
Direct Taxes Paid	(859)	-
Extraordinary items	-	-
Net Cash from operating activities	94526	56081
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(19217)	(59273)
Sale of Fixed Assets	512	1409
Interest Received	989	520
Purchase of Investments	-	-
Net Cash used in Investing Activities	(17716)	(57344)
Carried Forward	76810	(1263)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2005**

(Rs. in '000)

	For the year ended 31.3.2005	For the year ended 31.3.2004
Brought Forward	76810	(1263)
C. Cash Flow from Financing Activities ::		
Proceeds from Borrowings from Promoters	-	
Re-payment of principal to Financial Inst.		(8470)
Redemption of Preference Shares		(7400)
Increase in Cash Credit and Deferred Sales Tax	111782	19686
Net cash used in Financing Activities	111782	3816
Net increase in Cash and Cash Equivalent (A+B+C)	88592	2553
Cash and Cash Equivalent (Opening Balance)	112792	10239
Cash and Cash Equivalent (Closing Balance)	101384	12792
	88592	2553

For and on behalf of Board of Directors

Hardev Singh

Managing Director

Parvender Singh

Director

J. Tiwari

Company Secretary

Siliguri,

The 26th August, 2005

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, 2005 reported by us on 26th August, 2005. 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.

R. B. MANTRY

Partner

For and on behalf of

MANTRY & ASSOCIATES

Chartered Accountants

Siliguri,

The 26th August, 2005



TEESTA AGRO INDUSTRIES LIMITED

TEESTA AGRO INDUSTRIES LIMITED

Registered Office : Mazabari, Rajganj, Jalpaiguri
West Bengal

PROXY FORM

I/We of
..... being a -Member/Members of
TEESTA AGRO INDUSTRIES LIMITED hereby appoint Shri.....
..... of
..... or failing him
of as my / our proxy to attend
and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on
Friday, 30th September 2005 and / or at any adjournment thereof.

As witness my / our hands(s) this day of 2005

Signed by the Said

Membership A/c/No.

Affix
Re. 1/-
Rev.
Stamp

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the Company on Friday, 30th
September, 2005 Full Name of the Shareholder

(Block Capitals)

Membership A/c. No. Signature

Full name of Proxy

(Block Capitals)

Signature.....

Notes : a) The Form should be signed across the stamp as specimen signature
registered with the Company.

b) The proxy duly completed must be deposited at the registered office
of the Company at Mazabari, Rajganj, Jalpaiguri, West Bengal not
less than 48 hours before the fixed holding the aforesaid meeting.

BOOK POST

If undelivered, please return to :

TEESTA AGRO INDUSTRIES LTD.

Rajganj, Jalpaiguri, West Bengal. Pin : 735134