

**21TH
ANNUAL REPORT
AND ACCOUNTS, 2007**



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 Twenty first 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 Monday, the 17th December, 2007 at 10.00 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, 2007 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon .
2. To appoint a Director in place of Mr. Inderdeep Singh who retires by rotation and being eligible, offers himself for re - appointment.
3. To appoint a Director in place of Mrs. Joginder Kaur who retires by rotation and being eligible, offers herself for re - appointment.
4. To appoint a Director in place of Mr. Paramdeep Singh who retires by rotation and being eligible, offers himself for re - appointment.
5. 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

6. To consider and if thought fit to pass with or without modification, the following resolution as a special resolution :

“Resolved that pursuant to Section 16, 17 and all other applicable provisions, if any, of the Companies Act, 1956, the consent of the company is hereby accorded for alteration of the Object Clause of the Memorandum of Association of the company in as much as after the clause 3(a)(iii) thereof, the following new clause numbered as 3(a)(iv) be added :

**3(a)(iv)**

“To carry on all or any of the businesses of manufacturers, installers maintainers, repairers, importers, exporters, buyers, sellers, agents and distributors, of and traders in and dealers in all kinds of machinery equipment apparatus and accessories used or capable of being used in construction work including the business of manufacturers importers, exporters, buyers, sellers, agents, and distributors of and traders in cement, iron rods, bricks and paints and all other material of any kind or nature used in construction work.”

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 13th December, 2007 to 17th December, 2007 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. 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
Inderdeep Singh	08.11.1977	30	MBA	Ten years experience in manufacturing industry	Nil
Paramdeep Singh	22.10.1979	28	Graduate	Six Years experience in Manufacturing Industry	Nil
Joginder Kaur	15.03.1954	53	Graduate	Twenty Years experience in Manufacturing Industry	Nil

Siliguri Office :
 25, Bardhaman Road
 Siliguri - 734005
 Date : The 31st October, 2007

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



TEESTA AGRO INDUSTRIES LIMITED

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

ITEM NO. 6

It is proposed to alter the Object Clause of the Memorandum of Association of the Company, in the manner and mode, as per item No. 6 of the notice convening this Annual General Meeting, so as to enable the company to carry on with lines of business as detailed in the special resolution under Item No. 6 of this notice.

The Board of Directors recommends the special resolution being Item No. 6 of the notice for approval of the Members.

No Director of the company is concerned or interested in the special resolution being Item No. 6 of this notice.

Siliguri Office :
25, Bardhaman Road
Siliguri - 734005
Date : The 31st October, 2007

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 Twenty - first Annual Report of the Company together with Audited Statement of Accounts for the year ended 31st March, 2007.

1. FINANCIAL RESULTS

	Current Year	Previous year
	Rs. Lacs	Rs. Lacs
Total turnover & other receipts	4319.42	4266.09
Operating Profit before Interest,		
Depreciation and other non cash expenses	308.19	362.76
Less: Interest on Loan	85.94	81.83
Cash Profit	222.25	280.93
Less: Depreciation and other non cash expenses	158.67	153.66
Profit for the year	63.58	127.27
Provision for taxation	(19.89)	(32.05)
Profit after tax	43.69	95.22
Add : Profit brought forward from Previous year	709.72	614.50
Profit carried forward to next year	753.41	709.72

2. DIVIDEND

Your Directors have not recommended for payment of any dividend in respect of the year ended 31st March, 2007, mainly because of decrease in profit as compared to previous year.

3. OPERATION

The turnover and other receipts of your company has been Rs. 4319.42 lacs as against Rs. 4266.09 lacs in the previous year. Profit after taxation stood at Rs. 43.69 lacs as against Rs. 95.22 lacs in the previous year.

4. FUTURE PROSPECT

Your company has started trading in some agricultural products in the current year and it hopes to further diversify in future in the business of sale of construction equipments and construction materials.



5. DIRECTORS

Mrs. Joginder Kaur, Mr. Inderdeep Singh & Mr. Paramdeep Singh retire by rotation in the forthcoming Annual General Meeting and, all being eligible, have offered themselves for reappointment.

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.

13. APPRECIATION

Your Directors wish to record their appreciation of the valuable co - operation and support received from the customers, 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 :
25, Bardhaman Road
Siliguri - 734005
Date : The 31st October, 2007

For and on Behalf of the Board of Directors

(Hardev Singh)
Chairman - cum - Managing Director



TEESTA AGRO INDUSTRIES LIMITED

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 light fittings added/ |
| b) Additional Investments/proposals, if any | } | replaced during this year are energy efficient. |
| c) Impact of the measures at (a) and (b) above | } | Our waste heat steam turbine generates 0.5 MW eco-friendly power for our captive need. |

FORM A

Disclosure of particulars with respect to Conservation of Energy

A. Power & Fuel Consumption		2006-07		2005-06	
		FERTILISER	S.ACID	FERTILISER	S.ACID
1. Electricity					
(a) Purchased Units	'000 KWH	1040.201	797.603	1608.278	698.581
Total Amount	Rs.Lakhs	49.99	38.33	75.46	32.78
Rate/Unit	Rs.	4.81	4.81	4.69	4.69
(b) Own Generation Units	'000 KWH	15.366	11.950	24.166	6.519
Unit per litre of Diesel Oil	KWH	1.48	1.48	1.67	1.67
Cost per Unit	Rs.	11.82	11.82	19.11	19.11
2. Coal		NA	NA	NA	NA
3.(a) HSD	'000 Ltrs.		9.000		9.000
(b) Total Amount	Rs.lakhs		3.26		2.87
4.(a) Furnace Oil	'000 Ltrs.	96.000	-	78.000	-
(b) Total Amount	Rs.lakhs	21.48	-	15.40	-
5. Other internal generation (Power from waste steam)					
Own Generation Units	'000 KWH	801.533	579.547	-	729.900
Cost per Unit	Rs.	1.58	1.58	-	1.92
B. Consumption per unit of production					
		Electricity (KWH/Tonne)		F.Oil/LDO/HSD (Litres/Tonne)	
		2006-07	2005-06	2006-07	2005-06
1. Fertiliser		11.08	20.36	1.02	0.82
2. S.Acid		19.40	37.00	0.22	0.25

**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 | Nil |
| 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 :

		2006-07	2005-06
i) Earnings		Nil	Nil
ii) Outgo			
CIF value of imports	Rs./Lakhs	1047.14	1767.30
Travelling, Periodicals & Others	Rs./Lakhs	1.34	4.56



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 Directors and six non Executive Directors .

The Board met eight times on the following dates during the Financial Year 2006 - 2007 and the gap between the two meetings did not exceed four months :

- a) April 29th, 2006
- b) July 31st, 2006



- c) August 21st, 2006
- d) October 23rd, 2006
- e) October 31st, 2006
- f) November 14th, 2006
- g) November 23rd, 2006
- h) January 31st, 2007

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, 2007 are given below:-

Name	Category	No. of Board Meetings Attended During 06-07	Whether attended AGM held on 22.11.06	No. of Directorship in other Public Ltd. Companies	No. of Committee positions held in other Public Ltd. Companies	No. of Equity Share held in the Co.
H. Singh	Promoter & Non Independent Executive	8	Yes	1	-	644130
J.Kaur	Independent Non Executive	8	No	1	-	359000
I. Singh	Non Independent. Non Executive.	8	No	1	-	19000
P. Singh	Non Independent. Executive.	8	Yes	1	-	21800
U.C.Sahoo	Executive	8	Yes	-	-	Nil
R.C.Wadhwa	Independent. Non Executive	0	No	-	-	Nil
Thakur Singh	Independent Non Executive	0	No.	-	-	Nil
Manjit Singh	Independent Non Executive	0	No	-	-	Nil
Prem Singh	Independent Non Executive	0	No.	-	-	Nil



CODE OF CONDUCT :

The company has framed a code of conduct for the members of the Board of Directors and Senior Management personnel of the company. Requisite declaration by CEO regarding compliance by the Board Members and Senior Management Staff with the said code of conduct has been furnished and this forms part of the Report.

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 31.03.2007 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.

The Audit Committee met four times during the year under review on dtd. 21.04.2006, 24.07.2006, 24.10.2006 and 24.01.2007



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.

The Shareholders/ Investors Grievance Committee met four times during the year under review on dtd. 21.04.2006, 24.07.2006, 24.10.2006 and 24.01.2007

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. As regards remuneration of Mr. Hardev Singh Chairman cum Managing Director, Mr. U. C. Sahoo and Mr. Paramdeep Singh, Whole Time Director is concerned :-

The company has paid to Mr. Hardev Singh four months salary @Rs. 1,95,000.00 per month aggregating to Rs. 780,000.00 for the year 2006-2007, since the Board made his salary payable effective from December, 2006.

The company has paid to Mr. U. C. Sahoo, a total salary of Rs. 6.90 lac for the year 2006-07. Further, the company's contribution to Provident Fund on his account is to the extent of Rs. 82,800 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. 772,800 in respect of the year 2006-2007.

The company has paid to Mr. Paramdeep Singh, a total salary of Rs. 3.60 lac for year 2006-07. Further, the company's contribution to Provident Fund on his account is to the extent of Rs. 43,200 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. 403,200 in respect of the year 2006-2007.

**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
2003- 2004	Teesta Agro Indus. Limited Mazabari, Reajganj Dist. Jalpaiguri	AGM	21.09.03	Thursday	12.30 am	Nil
2004- 2005	Same, as above	AGM & EGM	30.09.05/ 31.08.04	Friday Tuesday	3.00 pm 12.30 pm	Nil
2005- 2006	Same, as above	AGM	22.11.06	Wednesday	10.00 am	Nil

DISCLOSURES**RELATED PARTY TRANSACTIONS**

- i) 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 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.

- ii) All Accounting Standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.



- iii) Risk assessment and its minimization procedure have been laid down by the company and the same have been informed to Board Members. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.
- iv) Management Discussion and analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of Clause 49 of the listing agreement with Stock Exchanges.
- v) No penalties or strictures have been imposed on the company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

CEO CERTIFICATION

Certification from the Managing Director, covering the financial aspects, as required under revised corporate governance report under Clause 49 of the Listing Agreement, has been furnished to the company.

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



TEESTA AGRO INDUSTRIES LIMITED

Annual General Meeting

Date and Time	:	December 17th, 2007 at 10.00 a.m.
Venue	:	Teesta Agro Industries Limited Mazabari, Rajganj Dist. Jalpaiguri, West Bengal
Financial Calendar	:	April to March, every year
Date of Book Closure	:	13.12.2007 to 17.12.2007
Dividend Payment date	:	NA

Distribution of Shareholding as on 31st March, 2007

Range	Shareholders		Shares	
No. of Shares	Number	% to total share holders	Numbers	% to Total Capital
1 to 500	14598	96.0332	1884009	41.4068
501 to 1000	339	2.2301	287090	6.3097
1001 to 2000	138	0.9078	229661	5.0475
2001 to 3000	32	0.2105	81700	1.7956
3001 to 4000	9	0.0592	34100	0.7495
4001 to 5000	40	0.2631	193300	4.2484
5001 to 10000	22	0.1447	160500	3.5275
10001 and Above	23	0.1513	1679640	36.9152
	15201	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	The Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers	Phiroze Jeejeebhoy Towers (28th Floor)
Dalal Street, Mumbai - 400 001	Dalal Street, Mumbai - 400 001

De mat 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.	Tel.	:	2243 - 5029 / 5809
6, Mangoe Lane, 2nd Floor	Fax	:	2248-4787
Kolkata - 700 001	E-mail	:	mdpl@cal.vsnl.net.in
	Business Hours	:	10.00 a.m. to 5.30 p.m.



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 since been allotted ISIN by CDSL, the ISIN is INE 757D01011. The company is in process of obtaining ISIN from NSDL.

Compilation of non Mandatory Requirements

1. Chairman of the Board

During the year under review, no expenses were incurred in connection with the office of the chairman.

2. Shareholders Rights

Half-yearly results including summary of the significant events are presently not being sent to the shareholders of the company.

3. Audit Qualification

Nil

4. Training of Board Members

There was no Directors Training Programme during the year under review.

5. Mechanism for Evaluating Non Executive Board Members

There is no mechanism for evaluating Non Executive Board Members at present.

6. Whistle Blower Policy

There is no whistle blower policy at present.



TEESTA AGRO INDUSTRIES LIMITED

Declaration by CEO pursuant to Clause 49(C) of the Listing Agreement with Stock Exchange(s).

To
The Members of
Teesta Agro Industries Limited

In compliance with the requirements of Clause 49(D) of the listing agreement with the Stock Exchanges relating to Corporate Governance, to confirm that, on the basis of confirmations / declarations received, all the Directors and Senior Management Personnel of the company have complied with the code of conduct framed by the company.

Place : Siliguri
Date : The 31st October, 2007

For Teesta Agro Industries Ltd.

Hardev Singh
(Managing Director)

Address of Regd. Office and : Mazabari, Rajganj
Location of Plant : Dist. Jalpaiguri, West Bengal



**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, 2007 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, 2007, 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 31st October, 2007

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



TEESTA AGRO INDUSTRIES LIMITED

ANNEXURE-C

MANAGEMENT DISCUSSION & ANALYSIS

Overview

Teesta Agro Industries Limited is a leading manufacturer of Sulphuric Acid NPK Fertiliser 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. 165,000 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. 4319.42 lacs as against Rs. 4266.09 lacs in the previous year. Profit after taxations stood at Rs. 43.69 lacs as against Rs. 95.22 lacs in the previous year. The turnover of your company remained practically stagnant mainly because of depressing market scenario. Your Directors are hopeful of achieving better results in the current year.

Opportunities & Threats

Since your company operates in agricultural sector, it is directly affected by vagaries of nature. Moreover, the contribution of agricultural sector in the GDP had been low in respect of the year under review. Further, the ever increasing cost of input has added to the financial woes of your company.

Outlook for Teesta Agro Industries Ltd.

Considering the scenario of agricultural products in India, your company has diversified its operations in the current year in as much as it has started trading in some agricultural products such as potatoes, tea, seeds, pesticides, agricultural equipments, jute and it has also taken recourse to contract farming. It is also contemplating trading activities in regard to construction equipments and construction materials.

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.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and explanations may be forward looking statements within the meaning of applicable laws and regulations actual results might differ substantially or materially from those expressed or implied. Important development that could affect affect the company's orperations include a downtrend in the automobile industry global or domestic or both significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs.



TEESTA AGRO INDUSTRIES LIMITED

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, 2007, 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, 2007, 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, 2007;
- 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 31st October, 2007

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 except that stores & spares and packing materials are valued at FIFO basis as against weighted average method followed previously. 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.29.53 lakhs* to Nepun Cement and Power Limited 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, 2007, 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, income tax, excise duty and customs duty have been disclosed in the note 8(b) of schedule 15, under the head "contingent liabilities not provided for" in the accounts.
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. During the course of our examination of the books and records of the company carried out in accordance with auditing standards generally accepted in India, we have neither come across any instance of fraud by the company noticed or reported during the year nor have we been informed of such case by management. However, fraud on the company by the staff of the company to the tune of Rs.13.70 Lakhs was noticed and reported. As the company has realized Rs.3.11 Lakhs from them during the year, the balance amount of Rs. 10.59 lakhs has been written off and charged to Profit and Loss Account.

R. B. Mantry

Partner

For and on behalf of

MANTRY & ASSOCIATES

Chartered Accountants

Siliguri,
The 31st October, 2007

**BALANCE SHEET AS AT 31ST MARCH, 2007**

(Rs. in '000)

	Schedule	As at 31st March, 2007	As at 31st March, 2006
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	45,050	45,050
Reserves and Surplus	2	243,229	225,978
Loan Funds	3		
Secured Loans	3A	17,075	31,533
Unsecured Loans	3B	36,021	38,035
		53,096	69,568
Deferred Tax Liabilities (Note 16 on Schedule 15)		19,023	20,490
		360,398	361,086
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		315,601	305,319
Less: Depreciation		150,775	135,398
Net Block		164,826	169,921
Capital Work-in-Progress		3,472	1,456
Investments	5	3,777	3,777
Current Assets, Loans and Advances			
Inventories	6	269,862	136,038
Sundry Debtors	7	99,974	106,702
Cash and Bank Balances	8	79,923	37,962
Other Current Assets	9	2,493	2,782
Loans and Advances	10	50,853	32,839
		503,105	316,323
Less : Current Liabilities and Provisions	11		
Liabilities	11A	313,490	129,186
Provisions	11B	1,292	1,205
		314,782	130,391
Net Current Assets		188,323	185,932
		360,398	361,086
Notes on Accounts	15		

The Schedules referred to above
form part of the Balance Sheet.

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

R. B. Mantry

Partner

For and on behalf of

MANTRY & ASSOCIATES

Chartered Accountants

Siliguri, the 31st October, 2007

Hardev Singh
Managing Director

Paramdeep Singh
Director

J. Tiwari
Company Secretary



TEESTA AGRO INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

(Rs.in '000)

	Schedule	For the year ended 31st March, 2007	For the year ended 31st March, 2006
A. Income			
Sales		346,035	342,899
Govt. Rebate		84,680	80,913
Other Income	12	1,227	2,797
Closing Stock of Finished Goods		31,069	38,569
		463,011	465,178
B. Expenditure			
Op. Stock of Finished Goods (Net of VAT Credit)		38,569	24,532
Raw Materials Consumed	13	308,970	312,306
Packing Materials & Stores Consumed		19,586	19,454
Expenses	14	65,067	72,610
Depreciation		15,867	15,366
Interest		8,594	8,183
		456,653	452,451
Profit/(Loss) before Taxation		6,358	12,727
Provision for taxation :			
- Current (MAT)		(3,132)	(1,180)
- Less MAT Credit Entitlement			302
- Deferred Tax		1,467	(1,585)
- Fringe Benefit Tax		(324)	(742)
Profit/(Loss) after Taxation		4,369	9,522
Profit/(Loss) brought forward from previous year		70,972	61,450
Profit/(Loss) carried forward to Balance Sheet		75,341	70,972
Earning per Equity Share			
- Basic (Rs.)		0.97	2.11
- Diluted (Rs.)		0.97	2.11
Notes on Accounts	15		

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

Siliguri
The 31st October, 2007

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, 2007	As at 31st March, 2006
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	156,738	143,856
Capital Redemption Reserve	11,150	11,150
Profit and Loss Account	75,341	70,972
	243,229	225,978
3. LOAN FUNDS		
A. Secured Loans		
Cash Credit with Banks	17,075	31,533
(Secured, by hypothecation of the Company's entire stocks, book debts and second charge on Fixed Assets)		
(Cash Credit Limit 60,000)		
	17,075	31,533
B. Unsecured Loans		
From Directors	13,555	18,608
From Others	22,460	19,421
Interest accrued and due on Short Term Loan	6	6
	36,021	38,035



SCHEDULES FORMING PART OF THE BALANCE SHEET

4. FIXED ASSETS

(Rs. in '000)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as at 31.03.2006	Additions During the year	Sale/Adj. During the year	Original Cost as on 31.03.2007	Depreciation upto 31.03.2006	For the year	Sale/Adj. During the year	Depreciation upto 31.03.2007	As at 31st March, 2007	As at 31st March, 2006
Land (Freehold)	6,864	9,442	-	16,306	-	-	-	-	16,306	6,864
Buildings	121,542	1,558	-	123,100	26,140	3,495	-	29,635	93,465	95,402
Plant & Machinery	150,945	-	-	150,945	90,336	10,424	-	100,760	50,185	60,609
Electrical Installation	14,281	-	-	14,281	13,196	1,010	-	14,206	75	1,085
Furniture & Fixture	2,120	-	-	2,120	1,825	134	-	1,959	161	295
Office Equipment	2,103	48	-	2,151	1,846	149	-	1,995	156	257
Vehicles	7,464	-	766	6,698	2,055	655	490	2,220	4,478	5,409
Total	305,319	11,048	766	315,601	135,398	15,867	490	150,775	164,826	169,921
Previous Year	294,747	10,967	395	305,320	120,229	15,366	196	135,399	169,921	

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Rs. in '000)

	As at 31st March, 2007	As at 31st March, 2006
5. INVESTMENTS		
- Long term investments at cost		
<u>Shares In Companies (Quoted)</u>		
69,418 equity shares of Allahabad Bank of Rs.10/- each fully paid up (Aggregate cost of quoted investments 3777, Market value of quoted investments 5,047, Previous Year 5,481)	3777	3,777
	3777	3,777
6. INVENTORIES		
- At cost		
Consumable Stores	7,816	8,040
Raw Materials	186,629	75,563
Raw Materials in Transit	44,348	13,866
- At lower of cost and net realisable value		
Finished Goods	31,069	38,569
	269,862	136,038
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 2,566, Previous year 5,725)	20,505	24,157
Other Debts (Includes Subsidy/Rebate receivable from State Government 28,314, Previous year 15,329)	79,469	82,545
	99,974	106,702
8. CASH AND BANK BALANCES		
Cash in Hand	1,344	324
Cheques in Hand	2,554	1,093
Remittance in Transit	-	400
Balance with Scheduled Banks on :		
Current Accounts	53,103	16,193
Share Allotment Money Account	-	-
Fixed Deposit Accounts	22,922	19,952
(Pledged with Banks - being Margin against Bank guarantees, Letter of Credits, etc.)		
	79,923	37,962



TEESTA AGRO INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in '000)

	As at 31st March, 2007	As at 31st March, 2006
9. OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Interest accrued on National Saving Certificates and Fixed Deposit etc. with Banks	119	387
Duty Drawback Claims	-	-
Deposit with Government Authorities	1,431	1,561
Other Deposit	943	834
	2,493	2,782
10. LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
Advances against Capital Expenditure	303	303
Other Advances	35,814	21,892
Tax Deducted at Source	1,672	1,141
MAT Credit Entitlement	-	302
Income Tax paid under protest	4,470	3,870
Sales Tax paid under protest	5,800	5,800
Unutilised VAT Credit	2,794	1,571
	50,853	34,879
Less: Provision for Doubtful Advances	-	2,040
	50,853	32,839
11. CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors	312,537	128,160
Advances from Customers	917	990
Advances against sale of Fixed Assets	36	36
	313,490	129,186
B. Provisions		
Employees' Benefits	1,292	1,205
	1,292	1,205

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT**

(Rs. in '000)

	For the year ended 31.3.2007	For the year ended 31.3.2006
12. OTHER INCOME		
Interest Received from Bank	545	1,427
Profit on Sale of Fixed Assets	-	425
Sundry Receipt (Net)	682	945
	<u>1,227</u>	<u>2,797</u>
13. RAW MATERIALS CONSUMED		
Opening Stock	89,429	54,185
Less : VAT credit availed on op. stock	-	297
	<u>89,429</u>	<u>53,888</u>
Purchase	345,027	237,017
Freight Inward	105,491	110,830
	<u>539,947</u>	<u>401,735</u>
Less: Closing Stock	230,977	89,429
	<u>308,970</u>	<u>312,306</u>
14. EXPENSES		
Salaries, Wages and Bonus	23,319	18,065
Contribution to Provident Fund & Gratuity Fund	1,262	1,115
Welfare Expenses	635	2,844
Insurance	784	833
Rent	458	516
Rates and Taxes	300	297
Power and Fuel	13,185	16,736
Repairs and Maintenance:		
Building	1,006	529
Plant and Machinery	7,089	8,581
Other	193	310
	<u>8,288</u>	<u>9,420</u>
Advertisement	253	405
Carriage Outward	5,065	5,754
Service Tax Paid	527	1,192
Miscellaneous Expenses	10,064	13,393
Loss on Sale of Fixed Assets	51	-
Provision for Doubtful Advances	-	2,040
Bad Debts Written Off	876	-
	<u>65,067</u>	<u>72,610</u>



TEESTA AGRO INDUSTRIES LIMITED

TEESTA AGRO INDUSTRIES LIMITED

15. NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2007

(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 & spares and packing materials are valued at FIFO basis as against weighted average method followed last year. *The effect there of being negligible not quantified.*
(b) Raw materials are valued at cost on FIFO basis.
(c) Finished goods are valued at lower of cost and net realisable value.
Cost includes cost of purchase, duties, taxes and all other costs incurred in bringing the inventories to their present location.
- 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/yearend rate and resultant loss or gain is accounted for in the profit and loss account.
- 1.7 No borrowing costs have been capitalized during the year.
2. Sundry Debtors and advances (considered good) include certain overdue debts/ old advances aggregating to Rs.645 (Previous Year Rs.2298) for which necessary steps are being taken for realisation and as such no provision there against is considered necessary in these accounts.
3. Certain credit and debit balances of Sundry creditors and Sundry debtors are subject to confirmation and reconciliation. Difference, if any, shall be accounted for on such reconciliation.
4. Other income includes Rs. Nil (Previous Year Rs.89), which represent old outstanding balances written back (net).
5. West Bengal VAT amounting to Rs.12882 has been transferred to Capital Reserve during the current year in view of the decision of Calcutta High Court and grant of E.C. subsequently by Commercial Taxes Directorate, West Bengal.
6. Goods in transit (Gypsum) 2098.740 MT valued at Rs.630 had been written off due to no possibility of recovery of the same.
7. 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.
8. (a) Estimated amount of Capital Commitments net of advances as at 31.03.2007, and not provided for is Rs. Nil (Previous year Rs. Nil).



(b) Contingent Liabilities	2006-07	2005-06		
(Not provided for) in respect of :-				
- Letter of Credit	70887	48581		
- Bank Guarantees	3532	3532		
-Sales Tax matters under appeals	25205	25205		
-Income tax matters under appeals	13972	13972		
-Other legal cases	600	600		
9. Consumption of raw materials includes foreign exchange gain of Rs.1016 (Previous year loss of Rs.1898).				
10. Miscellaneous Expenses includes:-	2006-07	2005-06		
(a) Amount Paid/Payable to Auditors:				
(1) Audit Fees	110	110		
(2) In other Capacities:				
- Fees for Tax Audits	20	20		
- Certification Jobs	25	25		
11. 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 on triple shift basis)				
S.S.P.	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.	85,160.916	89,686.686		
G.S.S.P.	1531.500	768.250		
N : P : K	7,165.750	5,525.250		
Sulphuric Acid	41,108.342	35,592.955		
	<u>M.T.</u>	<u>M.T.</u>		
	<u>Rs.('000)</u>	<u>Rs.('000)</u>		
(iii) Opening Stock of Finished Products:-				
S.S.P.	6890.252	24628	5380.266	17379
G.S.S.P.	174.500	803	23.250	97
N:P:K	321.200	1923	664.000	3525
Sulphuric Acid	3726.253	11215	1271.806	3627



TEESTA AGRO INDUSTRIES LIMITED

(iv) Closing Stock of Finished Products:-

S.S.P.	6750.268	22527	6890.252	24628
G.S.S.P.	50.000	230	174.500	803
N:P:K	284.750	1777	321.200	1923
Sulphuric Acid	2615.595	6535	3726.253	11215

Sales:-

S.S.P.	85300.900	266540	87444.450	296532
G.S.S.P.	1656.000	5597	581.000	2028
N : P : K	7 202.200	45031	5868.050	38214
Sulphuric Acid	12626.190	28867	2312.280	6125

b) Raw materials consumed including purchase through canalised agencies:-

Rock Phosphate	47518.595	193372	49224.525	203499
Sulphuric Acid	29592.810	—	30826.228	—
Sulphur	13386.987	69550	11865.172	74880
Dolomite	1632.724	1461	2439.199	2010
Gypsum	2573.975	1452	1490.970	2834
China Clay	1753.772	1966	—	—
Urea	2194.190	10617	1068.803	5195
DAP	1869.541	17832	1780.518	16855
MOP	1844.735	8324	1372.814	5972
SOA	135.441	870	6.061	57
MISC.	—	3526	—	1004

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

Rock Phosphate	21400.000	70883	58170.000	126005
Sulphur	9500.000	33831	10415.763	50725

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

Consumed	—	19586	—	19454
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12. Earning in Foreign Exchange Nil Nil

Expenditure in Foreign Currency

- Books & Periodicals	134	98
- Travelling	—	358



13. Retirement Benefits

- a) The company has taken group policy with the Life Insurance Corporation of India to cover its liability towards employees gratuity. The company provides liabilities on the basis of demand raised by the LIC in this regard. Such contribution is charged to the Profit & Loss Account on the basis of valuation being done on 30th July of every year.
- b) The company extends the benefit of leave encashment to its employees while in service as well as on retirement. Leave encashment benefits are accounted for on the basis of actual valuation as at year end.
- c) The company's contribution to Provident Fund are charged to revenue account.

14. SEGMENT INFORMATION

The business segments have been identified on the basis of the products manufactured by the Company i.e. Fertilisers & 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, 2007	Year Ended March 31, 2006
1. Segment Revenue		
(A) Fertiliser	401848	417687
(B) Sulphuric Acid	99030	94247
Total Segment Revenue	500878	511934
Less : Inter-Segment Revenue	70163	88122
Net Sales/Income from Operations	430715	423812
2. Segment Profit/(Loss) before tax and interest		
(A) Fertiliser	14225	16044
(B) Sulphuric Acid	25	3261
Total	14250	19305
Less :		
(i) Interest Expense (Net)	(8049)	(6756)
(ii) Unallocated Revenue & Expenditure (Net)	157	178
Net Profit/(Loss) from Ordinary Activities	6358	12727



3. Capital Employed (Segment Assets – Segment Liabilities) (A) Fertiliser (B) Sulphuric Acid	310654 49744	281689 79397
Total	360398	361086
4. Capital Expenditure	13065	7173
5. Depreciation for the period	19	315

15. For the purpose of calculation of Earning Per Share in accordance with Accounting Standard 20 issued by ICAI, profit after tax Rs.4369 and 45,04,950 equity shares of Rs.10/- each fully paid up have been considered.

16. 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.1467 has been recognised in the Profit and Loss Account for the year. Details of Deferred Tax Assets/(Liabilities) as on 31.03.2007 are as follows:

a. - Items under Section 43B of IT Act	Rs. 221
b. - Depreciation	Rs. (19244)
c. Net Deferred Tax Assets/(Liabilities)	Rs. (19023)

17. Provision for Income Tax have been made after adjusting the MAT credit carried forward amounting to Rs.302.
18. 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, 2007.

19. Related Party Disclosures:

Serial No.	Party	Relationship
1.	Mr. Hardev Singh, Chairman & MD	Key management personnel
2.	Mr. U. C. Sahoo, Executive Director	-Do-
3.	Mrs. Joginder Kaur, Director	-Do-
4.	Mr. Inderdeep Singh, Director	-Do-
5.	Mr. Paramdeep Singh, Director	-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. Hardev Singh	Remuneration	Nil	780
2) Mr. U. C. Sahoo	Remuneration and PF contribution	Nil	773
3) Mr. Paramdeep Singh	- do -	Nil	403

Related parties are identified by the management.

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 regrouped/rearranged wherever necessary.

Signature to Schedules 1 to 15

Siliguri,
The 31st October, 2007

Hardev Singh
Managing Director

Paramdeep Singh
Director

J. Tiwari
Company Secretary



TEESTA AGRO INDUSTRIES LIMITED

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	: 31.03.2007	(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	: 360398	Total Assets	: 360398
Source of Funds			
Paid-up Capital	: 45050	Reserves & Surplus	: 243229
Secured Loans	: 17075	Unsecured Loans	: 36021
Deferred Tax Liabilities	: 19023		
Application of Funds			
Net Fixed Assets *	: 168298	Investments	: 3777
Net Current Assets	: 188323	Misc. Expenditure	: Nil
Accumulated Losses	: Nil		

* Includes 3,472 towards capital work-in-progress

IV. Performance of Company:

Turnover	: 430715	Total Expenditure	: 424357
Profit/(Loss) before tax	: 6358	Profit/(Loss) after tax	: 4369
Earning per Share in Rs.	: 0.97	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,	Hardev Singh	Paramdeep Singh	J. Tiwari
The 31st October, 2007	Managing Director	Director	Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007**

(Rs.in '000)

	For the year ended 31.3.2007		For the year ended 31.3.2006	
A. Cash Flow from Operating Activities :				
Net profit/(loss) before tax and				
Extraordinary Items		6358		12727
Adjustments for :				
Depreciation	15867		15366	
Interest Charged (Net)	8049		6756	
Loss/(Profit) on Sale of Assets	51	23967	(425)	21697
Operating Profit before working				
Capital Changes :		30325		34424
Adjustments for :				
Trade and other receivables	(10728)		(37958)	
Inventories	(133824)		(51053)	
Trade Payable	184391	39839	(10018)	(99029)
Cash Generated from Operations		70164		(64605)
Interest Paid	(8594)		(8183)	
Direct Taxes Paid	(3132)		(1180)	
MAT Credit Entitlement			302	
Fringe Benefit Tax	(324)		(742)	
Extraordinary items	-	(12050)	-	(9803)
Net Cash from operating activities		58114		(74408)
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(13064)		(7174)	
Sale of Fixed Assets	225		625	
Interest Received	277		1547	
Purchase of Investments	(0)		(3511)	
Net Cash used in Investing Activities		(12562)		(8513)
Carried Forward		45552		(82921)



TEESTA AGRO INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

(Rs.in '000)

	For the year ended 31.3.2007	For the year ended 31.3.2006
Brought Forward	45552	(82921)
C. Cash Flow from Financing Activities :		
Proceeds from Borrowings from Promotors	(2014)	(1782)
Re-payment of principal to Financial Inst.	-	-
Redmption of Preference Shares	-	-
Increase/(Decrease) in Cash Credit	(14459)	9824
Remission of VAT	12882	11457
Net cash used in Financing Activities	(3591)	19499
Net increase in Cash and Cash Equivalent (A+B+C)	41961	(63422)
Cash and Cash Equivalent (Opening Balance)	37962	101384
Cash and Cash Equivalent (Closing Balance)	79923	37962
	41961	(63422)

Siliguri,
The 31st October, 2007

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, 2007 reported by us on 31st October, 2007. According to the information and explanations given the aforesaid Cash Flow Statement has been prepared pursuant to clause 32 of the Listing Agreement with Stock Exchanges and the reallocation required for the purpose are as made by the Company.

Siliguri,
The 31st October, 2007

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



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
Monday, 17th December, 2007 and / or at any adjournment thereof.

As witness my / our hands(s) this..... day of2007

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 Monday, 17th
December, 2007 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