

**23RD  
ANNUAL REPORT  
AND ACCOUNTS, 2009**



**CERTIFIED TO BE TRUE**

**FOR TEESTA AGRO INDUSTRIES LTD**

A handwritten signature in black ink, appearing to be 'M. K. ...', is written over a horizontal line.

**Company Secretary**

**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

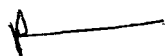
CERTIFIED TO BE TRUE

FOR TEESTA AGRO INDUSTRIES LTD

**Bankers**

State Bank of India

Allahabad Bank

  
Company Secretary

**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 Third 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 Wednesday, 30th September 2009 at 10 A.M. to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the company as at 31st March, 2009 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 Mr. Thakur Singh who retires by rotation and being eligible, offers himself for re appointment.
4. To appoint a Director in place of Mr. Manjit Singh who retires by rotation and being eligible, offers himself for re appointment.
5. To appoint Auditors and to fix their remuneration

### SPECIAL BUSINESS

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

“ Resolved that subject to the provisions of Sections 16,17 and other applicable provisions of the Companies Act 1956, if any, the Main Object Clause in the Memorandum of Association of the company be altered in a much as after Clause 3(a)(iii) in the Main Object Clause of the Memorandum of Association of the company, the following new Clause be added and numbered as 3(a)(iv) :-

To carry on the business of growers, planters, cultivators, blenders, processors and manufacturers of all kinds of tea including tea leaves and also to carry on the business as buyers, sellers, exporters, importers and auctioneers thereof . ”

**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 Share Transfer Books of the company will remain closed from 23rd September, 2009 to 30th September, 2009 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	63	MBA	Twelve years experience in manufacturing industry	NIL
Thakur Singh	24.08.1954	61	Graduate	Fifteen years experience in manufacturing industry	NIL
Majit Singh	15.03.1954	52	Graduate	Twelve years experience in manufacturing industry	NIL

Siliguri Office  
 25, Bardhaman Road  
 Siliguri – 734005  
 Date : The 1st September, 2009

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**

The Directors feel that the company should venture into a new business as detailed under item No.6 of the Notice convening this Annual General Meeting.

However the Object Clause of the Memorandum of Association of the company does not permit such business activities, as referred in item No. 6 of the Notice convening the Annual General Meeting . Therefore, it is proposed to suitably alter the Object Clause of the Memorandum of Association of the Company. Special Resolution being Item No. 6 in the notice is intended for the purpose.

Your Directors recommend the Special Resolution for approval of the Members.

No Director of the Company is concerned or interested in the Special Resolution being Item No. 6 in the Notice, convening these Annual General Meeting.

Siliguri Office  
25, Bardhaman Road  
Siliguri – 734005  
Date : The 1st September, 2009

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 – third Annual Report of the Company together with Audited Statement of Accounts for the year ended 31st March, 2009

### 1. FINANCIAL RESULTS

	Current Year Rs. Lacs	Previous Year Rs. Lacs
Total Turnover & other Receipts	12578.22	3964.44
Operating Profit before Interest, Depreciation and other non cash expenses	355.59	328.37
Less : Interest on Loan	122.80	128.56
Cash Profit	232.79	199.81
Less : Depreciation and other non cash expenses	116.57	110.19
Profit for the year	116.22	89.62
Provision for Taxation	( 43.30 )	( 12.68 )
Profit after Tax	72.92	76.94
Add: Profit brought forward from Previous year	830.35	753.41
Profit carried forward to next year	903.27	830.35

### 2. DIVIDEND

Your Directors have not recommended for payment of any dividend in respect of the year ended 31st March, 2009 due to meagre profit during the year under review.

### 3. OPERATION

The turnover and other receipts of your company has been Rs. 12578.22 lacs as against Rs. 3964.44 lacs in the previous year . Profit after taxation stood at Rs. 72.92 lacs as against Rs. 76.94 lacs in the previous year.

### 4. FUTURE PROSPECT

With the raw material prices stabilizing, welcome declaration of nutrient based subsidy policy, partial decontrolling by way of abolition of MRP on SSP ( the main product of your company ) by GOI, your company is determined to make a strong inroad in to this sector by the way of launching a series of new crop and soil specific fertilizer products fortified with major and minor micronutrients.



TEESTA AGRO INDUSTRIES LIMITED

## **5. DIRECTORS**

Mr. Inderdeep Singh, Mr. Thakur Singh & Mr. Manjit Singh retires by rotation in the forthcoming Annual General Meeting and, all being eligible, have offered themselves for re appointment .

## **6. DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. That in the preparation of Annual Accounts, the applicable Accounting Standards had been followed and no material departure have made from the same.
2. That the Directors had selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the period.
3. 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.
4. 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(A) 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 the report.

## **12. MANAGEMENT DISCUSSION & ANALYSIS**

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

## **13. APPRECIATION**

Your Directors wish to record their appreciation of the valuable co operation and support received from the customers, Banks, Central Government and various State Government. Your Directors are also grateful to shareholders and employees for the continued support to the company.

Siliguri Office :  
25, Burdwan Road  
Siliguri – 734005  
Date: The 1st September, 2009

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 light fittings added/
		}	replaced during this year are energy efficient.
b)	Additional Investments/proposals, if any	}	Our waste heat steam turbine generates 0.5
		}	MW eco-friendly power for our captive need.
c)	Impact of the measures at (a) and (b) above	}	Per Tonne Power consumption remained high
		}	due to low production in some of the months.

**FORM A**

**Disclosure of particulars with respect to Conservation of Energy**

A. Power & Fuel Consumption				2008-09		2007-08	
				FERTILISER	S.ACID	FERTILISER	S.ACID
1.	<b>Electricity</b>						
(a)	Purchased Units	'000 KWH		1470.539	896.940	1528.058	1324.929
	Total Amount	Rs.Lakhs		70.71	43.13	72.93	63.24
	Rate/Unit	Rs.		4.81	4.81	4.77	4.77
(b)	Own Generation Units	'000 KWH		32.389	12.475	34.197	30.853
	Unit per litre of Diesel Oil	KWH		4.96	4.96	3.59	3.59
	Cost per Unit	Rs.		7.29	7.29	9.39	9.39
2.	<b>Coal</b>	'000 Kgs.		426.400	NA	NA	NA
		Rs.lakhs		18.23	NA	NA	NA
3.(a)	<b>HSD</b>	'000 Ltrs.		23.200	9.000	12.881	6.400
(b)	Total Amount	Rs.lakhs		7.96	3.24	4.35	2.16
4.(a)	<b>Furnace Oil</b>	'000 Ltrs.		-	-	111.072	-
(b)	Total Amount	Rs.lakhs		-	-	28.14	-
5.	<b>Other internal generation (Power from waste steam)</b>						
	Own Generation Units	'000 KWH		25.872	28.185	328.395	342.218
	Cost per Unit	Rs.		4.57	4.57	1.40	1.40
<b>B. Consumption per unit of production</b>							
				Electricity (KWH/Tonne)		F.Oil/LDO/HSD (Litres/Tonne)	
				2008-09	2007-08	2008-09	2007-08
1.	Fertiliser			14.62	13.80	0.23	1.12
2.	S.Acid			28.70	31.79	0.29	0.15

**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 :**

		2008-09	2007-08
i) Earnings		Nil	Nil
ii) Outgo			
CIF value of imports	Rs./Lakhs	5888.87	1821.08
Travelling, Periodicals & Others	Rs./Lakhs	--	1.11



## 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 disclosures 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 2008 – 2009 and the gap between the two meetings did not exceed four months.

- a) April 30th, 2008
- b) July 24th, 2008
- c) July 31st, 2008
- d) August 23rd, 2008
- e) September 26th, 2008
- f) October 31st, 2008
- g) January 31st, 2009
- h) March 24th, 2009

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, 2009 are given below :-



Name	Category	No. of Board Meetings - attended during 2008-09	Whether attended AGM held on 27.09.08	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 Company
					Chairman	Member	
H. Singh	Promoter & non Independent Executive	8	Yes	1	-	-	1125230
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	Non Executive Independent	0	No	-	-	-	NIL
Manjit Singh	Non Executive Independent	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 Board of Directors 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:

1. 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.



## TEESTA AGRO INDUSTRIES LIMITED

2. To meet statutory and internal auditors periodically and discuss their findings, suggestions, and other related matters.
3. To review the auditors report on the financial statement and to seek clarification thereon, if required from the auditors.
4. 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.
5. To act as a link between the statutory and internal auditors and the Board of Directors.
6. To recommend a change of the auditors if in the opinion of the committee the auditors have failed to discharge their duties adequately.
7. And generally, all items listed in Clause 49(ii)(D) of the Listing Agreement . The company has complied with the requirements of Clause 49(i)(A) as regards the composition of the audit committee.

The Audit Committee of Teesta Agro Industries Ltd. as on 31.03.2007 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. 24.04.2008, 24.07.2008, 24.10.2008 and 24.01.2009.

## **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 :-

- a) 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. 24.04.2008, 24.07.2008, 24.10.2008 and 24.01.2009.

### REMUNERATION COMMITTEE

The Remuneration Committee of the Board of Directors of the company comprised of the following three independent Directors as on 31.03.2008 :

- a) Mr. Prem Singh
- b) Mr. Thakur Singh
- c) Mr. R.C.Wadhwa

The Remuneration Committee met one time during 2008 – 09 on 24.02.2009.

### 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. Mr. Hardev Singh was paid total remuneration of Rs. 30,00,000 in respect of the year ended 31st March, 2009.

The company has paid to Mr. U.C.Sahoo, a total salary of Rs. 1745,000 for the year 2008 – 09. Further, the company's contribution to Provident Fund on his account is to the extent of Rs. 209,400 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. 1954,400 in respect of the year 2008 – 2009.

The company has paid to Mr. Paramdeep Singh, a total salary of Rs. 630,000 for the year 2008 – 09 . Further, the company's contribution to Provident Fund on his account is to the extent of Rs.69,600 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. 699,600 in respect of the year 2008 – 2009.

### 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
2005 - 06	Teesta Agro Ind. Ltd. Mazabari, Rajganj Dist. Jalpaiguri	AGM	22.11.06	Wednesday	10.00 am.	Nil
2006 - 07	Same, as above	AGM	17.12.07	Monday	10.00 am.	one
2007 - 08	Same, as above	AGM	27.09.08	Saturday	10.00 am.	Nil



TEESTA AGRO INDUSTRIES LIMITED

No postal ballot were used for voting at these meetings. Further, there is no item on the agenda of the ensuing Annual General Meeting that needs approval of shareholders by postal ballot.

## **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 minimisation 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

### ANNUAL GENERAL MEETING

Date & Time : September 30th, 2009 at 10.00 am.  
Venue : Teesta Agro Industries Ltd  
Mazabari, Rajganj  
Dist. Jalpaiguri, West Bengal  
Financial Calendar : April to March, every year  
Date of Book Closure : 23.09.2009 to 30.09.2009  
Dividend Payment Date : NA

### Distribution of Shareholding as on 31st March, 2009

Range	Shareholders		Shares	
No. of Shares	Number	% total shareholders	Numbers	% to total capital
1 to 5000	14386	96.4015	18593090	40.8639
5001 to 10000	325	2.1778	2760900	6.0679
10001 to 20000	138	0.9247	2299610	5.0541
20001 to 30000	29	0.1943	747000	1.6418
30001 to 40000	7	0.0469	273000	0.6000
40001 to 50000	13	0.0871	613000	1.3473
50001 to 100000	11	0.0737	817000	1.7956
100001 and above	14	0.938	19396400	42.6295
	14923	100.0000	4550000	100.0000





TEESTA AGRO INDUSTRIES LIMITED

### **Listing on Stock Exchanges :**

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.

Telephone : 2243 – 5029 / 5809

6, Mangoe Lane, 2<sup>nd</sup> Floor

Fax : 2248 – 4787

Kolkata – 700 001

E Mail : [mdpl@cal.vsnl.net.in](mailto:mdpl@cal.vsnl.net.in)

Business Hours : 10.00 am. to 5.30 pm.

### **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 de mat facility for the convenience of the investors.

### **Dematerialisation of Shares and Liquidity**

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

### **Compliance 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. Training of Board Members**

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

#### **4. Mechanism for evaluating Non Executive Board Members**

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

#### **5. Whistle Blower Policy**

There is no whistle blower policy of the company at present.



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

To  
The Member of  
Teesta Agro Industries Ltd.

Incompliance 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 1st September, 2009

For Teesta Agro Industries Ltd.  
Hardev Singh  
( Chairman cum Managing Director )

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



TEESTA AGRO INDUSTRIES LIMITED

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

To  
The Members of  
Teesta Agro Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Teesta Agro Industries Limited for the year ended on March 31, 2009 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, 2009, 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,  
September 1, 2009

**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 NPK Fertiliser and Single Super Phosphate fertiliser. 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 of India. The installed capacity of SSP is 165,000 MT, GSSP 66000 MT, Sulphuric Acid is 66,000 MT and that of NPK is 33,000 MT per annum.

#### **Operation**

The turnover and other receipts of your company for the year ended 31st March, 2009 stands at Rs. 12578.22 lacs as against Rs. 3964.44 lacs for the preceding year. This much high turnover was possibly only due to steep price rise of raw material, increasing the final realization. The Government changed the Concession Policy for SSP from 01.05.2008 to accommodate the price escalation. Finally your company had registered a commendable growth of 217% in turnover and posted a profit ( before tax ) of Rs. 116.22 lacs as against Rs. 76.94 lacs in 2007 -08.

#### **Opportunities & Threats**

A moral boosting policy by the Government of India ( GOI ), envisaging a higher GDP in the agricultural sector, will enhance food grain production to the extent of 300 million tones by the year 2011. This has to be tapped as an opportunity by your company. Keeping this policy as central your company has decided in principle to invest in the areas of processing units, storage of agri products like Rice, Maize, Potato etc. This apart with the restoration of Indian Tea position in the international market at a premier position and steady growth of tea consumption in the country followed by better price realisation of Indian Tea, your company has started the process of acquiring Tea gardens and shortly will initiate the process of making application with the appropriate authority for setting up Tea processing unit near to the parent unit so as to utilize the synergy of the existing set up / infrastructure.

Very erratic and wide range price fluctuation of the imported raw materials in the international market, devaluation of Indian currency, a complete change in the shipping scenario (coupled ) with a discriminating policy by GOI for subsidy determination of phosphatic based fertilizer has marred the growth of your company to some extent, which otherwise would have been very significant.

#### **FUTURE PROSPECTS**

With the raw material prices stabilizing, and partial decontrolling by way of abolition of MRP on SSP ( the main product of your company ) by GOI, your company is determined to make a strong inroad in to this sector by the way of launching a series of new crop and soil specific fertilizer products fortified with major and minor micronutrients.



TEESTA AGRO INDUSTRIES LIMITED

#### 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 unauthorised use or disposition and that transactions are authorised, recorded and reported correctly. The internal control system 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 the 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 the company's operations 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.



## 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, 2009, 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, 2009, disqualified from being appointed as Director of a Company in terms of section 274(1)(g) of the Companies Act, 1956.



TEESTA AGRO INDUSTRIES LIMITED

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, 2009;
- 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,  
September 1, 2009

**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 prima-facie not prejudicial to the interest of the Company.  
  
(b) The Company has granted *interest free unsecured loan of Rs.29.77 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.





TEESTA AGRO INDUSTRIES LIMITED

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, 2009, 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 7(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.

Siliguri,  
September 1, 2009

**R. B. Mantry**

Partner

For and on behalf of  
**MANTRY & ASSOCIATES**  
Chartered Accountants



TEESTA AGRO INDUSTRIES LIMITED

# **BALANCE SHEET AS AT 31ST MARCH, 2009**

(Rs. in '000)

	Schedule	As at 31st March, 2009	As at 31st March, 2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	45,050	45,050
<b>Reserves and Surplus</b>	2	268,046	260,754
<b>Loan Funds</b>	3		
Secured Loans	3A	2,529	96,940
Unsecured Loans	3B	13,568	18,880
		16,097	115,820
<b>Deferred Tax Liabilities</b>		17,048	17,297
(Note 16 on Schedule 15)			
		346,241	438,921
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	4		
Gross Block		345,777	339,237
Less: Depreciation		172,094	161,757
Net Block		173,683	177,480
Capital Work-in-Progress		-	3,192
<b>Investments</b>	5	5,777	5,777
<b>Current Assets, Loans and Advances</b>			
Inventories	6	158,770	406,328
Sundry Debtors	7	240,244	76,145
Cash and Bank Balances	8	285,832	51,095
Other Current Assets	9	4,418	2,888
Loans and Advances	10	50,676	43,925
		739,940	580,381
<b>Less : Current Liabilities and Provisions</b>	11		
Liabilities	11A	570,852	326,425
Provisions	11B	2,307	1,484
		573,159	327,909
Net Current Assets		166,781	252,472
		346,241	438,921
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, September 1, 2009

Hardev Singh  
Managing Director

Paramdeep Singh  
Director

J. Tiwari  
Company Secretary

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

(Rs.in '000)

	Schedule	For the year ended 31st March, 2009	For the year ended 31st March, 2008
<b>A. <u>Income</u></b>			
Sales		543,284	320,369
Govt. Rebate		710,117	74,495
Other Income	12	4,421	1,580
Closing Stock of Finished Goods		36,532	179,237
		<b>1,294,354</b>	<b>575,681</b>
<b>B. <u>Expenditure</u></b>			
Op. Stock of Finished Goods		179,237	31,069
Raw Materials Consumed	13	971,830	421,050
Packing Materials & Stores Consumed		34,932	16,670
Expenses	14	72,796	74,055
Depreciation		11,657	11,019
Interest		12,280	12,856
		<b>1,282,732</b>	<b>566,719</b>
<b>Profit/(Loss) before Taxation</b>		<b>11,622</b>	<b>8,962</b>
Provision for taxation :			
- Current Tax		(4,207)	(2,678)
- Deferred Tax		249	1,726
- Fringe Benefit Tax		(372)	(316)
<b>Profit/(Loss) after Taxation</b>		<b>7,292</b>	<b>7,694</b>
Profit/(Loss) brought forward from previous year		83,035	75,341
Profit/(Loss) carried forward to Balance Sheet		<b>90,327</b>	<b>83,035</b>
Earning per Equity Share			
- Basic (Rs.)		1.62	1.71
- Diluted (Rs.)		1.62	1.71
Notes on Accounts	15		

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

Siliguri  
The September 1st, 2009

Hardev Singh  
Managing Director

Paramdeep Singh  
Director

J. Tiwari  
Company Secretary



TEESTA AGRO INDUSTRIES LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in '000)

	As at 31st March, 2009	As at 31st March, 2008
<b>1. SHARE CAPITAL</b>		
<b>Authorised :</b>		
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
<b>Issued, Subscribed and paid up :</b>		
45,50,000 Equity Shares of Rs.10/- each	45,500	45,500
Less : Allotment Money in Arrear	(450)	(450)
	45,050	45,050
<b>2. RESERVES AND SURPLUS</b>		
Capital Reserves	166,569	166,569
Capital Redemption Reserve	11,150	11,150
Profit and Loss Account	90,327	83,035
	268,046	260,754
<b>3. LOAN FUNDS</b>		
<b>A. Secured Loans</b>		
Cash Credit with Banks (Secured, by hypothecation of the Company's entire stocks, book debts and second charge on Fixed Assets) (Cash Credit Limit 100,000)	-	94,305
Vehicle Loan from Banks (Secured, by hypothecation of Vehicles financed)	2,529	2,635
	2,529	96,940
<b>B. Unsecured Loans</b>		
From Directors	13,539	13,539
From Others	29	5,341
	13,568	18,880

SCHEDULES FORMING PART OF THE BALANCE SHEET

4. FIXED ASSETS

(Rs. in '000)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original Cost as at 31.03.2008	Additions During the year	Sale/Adj. During the year	Original Cost as at 31.03.2009	Depreciation upto 31.03.2008	For the year	Sale/Adj. During the year	Depreciation upto 31.03.2009	As at 31st March, 2009	As at 31st March, 2008
Land (Freehold)	17,868	771	-	18,639	-	-	-	-	18,639	17,868
Buildings	139,648	3,658	-	143,306	33,288	3,948	-	37,236	106,070	106,360
Plant & Machinery	151,305	599	-	151,904	107,020	6,173	-	113,193	38,711	44,285
Electrical Installation	14,281	-	-	14,281	14,281	-	-	14,281	-	-
Furniture & Fixture	2,173	2,757	-	4,930	2,094	219	-	2,313	2,617	79
Office Equipment	2,253	220	-	2,473	2,168	98	-	2,266	207	85
Vehicles	11,709	1,225	2,690	10,244	2,906	1,218	1,319	2,805	7,439	8,803
Total	339,237	9,230	2,690	345,777	161,757	11,656	1,319	172,094	173,683	177,480
Previous Year	315,601	23,683	47	339,237	150,775	11,019	37	161,757	177,480	

TEESTA AGRO INDUSTRIES LIMITED





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## SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in '000)

	As at 31st March, 2009	As at 31st March, 2008
<b>5. INVESTMENTS</b>		
- 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 2,697, Previous Year 5,321)	3777	3,777
<u>Units in Mutual Funds (Quoted)</u>		
50568.9 units of SBI Mid Cap Fund (Growth Option) (Aggregate cost of quoted investments 2000, Market value of quoted investments 501, Previous Year 1,232)	2000	2,000
	5777	5,777
<b>6. INVENTORIES</b>		
- At cost		
Consumable Stores	5,779	9,050
Raw Materials	116,336	216,087
Raw Materials in Transit	123	1,954
- At lower of cost and net realisable value		
Finished Goods	36,532	179,237
	158,770	406,328
<b>7. SUNDRY DEBTORS</b>		
(Unsecured, considered good except as indicated below)		
Debts outstanding for a period exceeding six months (Includes Subsidy/Rebate receivable from Government 15,536, Previous year 2,566)	18,653	21,038
Other Debts (Includes Subsidy/Rebate receivable from Government 16,729, Previous year 28,314)	221,591	55,107
	240,244	76,145
<b>8. CASH AND BANK BALANCES</b>		
Cash in Hand	848	930
Cheques in Hand	7,559	259
Balance with Scheduled Banks on :		
Current Accounts	76,808	44,606
Fixed Deposit Accounts	200,617	5,300
(Pledged with Banks - being Margin against Bank guarantees, Letter of Credits, etc.)		
	285,832	51,095

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

(Rs. in '000)

	<b>As at 31st March, 2009</b>	As at 31st March, 2008
<b>9. OTHER CURRENT ASSETS</b>		
(Unsecured, considered good)		
Interest accrued on National Saving Certificates and Fixed Deposit etc. with Banks	1,421	134
Duty Drawback Claims		
Deposit with Government Authorities	1,468	1,438
Other Deposit	1,529	1,316
	<b>4,418</b>	<b>2,888</b>
<b>10. LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received		
Advances against Capital Expenditure		
Other Advances	29,822	26,734
Tax Deducted at Source	2,511	2,396
Income Tax paid under protest	6,131	4,470
Sales Tax paid under protest	5,800	5,800
Unutilised VAT Credit	6,412	4,525
	<b>50,676</b>	<b>43,925</b>
<b>11. CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. Current Liabilities</b>		
Sundry Creditors	548,623	323,494
Advances from Customers	22,229	2,931
	<b>570,852</b>	<b>326,425</b>
<b>B. Provisions</b>		
Employees' Benefits	2,307	1,484
	<b>2,307</b>	<b>1,484</b>





TEESTA AGRO INDUSTRIES LIMITED

## SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

(Rs. in '000)

	For the year ended 31.3.2009	For the year ended 31.3.2008
<b>12. OTHER INCOME</b>		
Interest Received from Bank	1,905	647
Dividend Received	243	208
Profit from Trading Activities	-	99
Profit on Sale of Fixed Assets	-	1
Sundry Receipt (Net)	2,273	625
	<u>4,421</u>	<u>1,580</u>
<b>13. RAW MATERIALS CONSUMED</b>		
Opening Stock	218,041	230,977
Purchase	820,196	338,080
Freight Inward	50,052	70,034
	<u>1,088,289</u>	<u>639,091</u>
Less: Closing Stock	<u>116,459</u>	<u>218,041</u>
	<u>971,830</u>	<u>421,050</u>
<b>14. EXPENSES</b>		
Salaries, Wages and Bonus	27,364	22,757
Contribution to Provident Fund & Gratuity Fund	1,451	1,610
Welfare Expenses	616	435
Insurance	1,304	657
Rent	219	445
Rates and Taxes	591	955
Power and Fuel	15,485	18,588
Repairs and Maintenance:		
Building	1,198	184
Plant and Machinery	4,741	6,437
Other	483	1,332
	<u>6,422</u>	<u>7,953</u>
Advertisement	67	124
Carriage Outward	3,078	7,117
Service Tax Paid	685	957
Miscellaneous Expenses	15,443	12,457
Loss on Sale of Fixed Assets	71	-
	<u>72,796</u>	<u>74,055</u>



# **15. NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009**

(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.  
(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 and net of dealers' margin but inclusive of VAT are recognised as revenue on dispatches. The rebate receivable from Government on sale of Single Super Phosphate Fertilizer 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.
- 1.8 Long term investments are stated at cost and provision for diminution is made, if such diminution is other than temporary in nature. The diminution in value of investment made in Shares of Allahabad Bank and SBI Mid Cap Fund (Growth Option) amounting to Rs.2579 is considered temporary in nature and hence no provision is required.
2. Sundry Debtors and advances (considered good) include certain overdue debts/ old advances aggregating to Rs.1413 (Previous Year Rs.1150) for which necessary steps are being taken for realisation and as such no provision there against is considered necessary in these accounts.
3. Balances of certain Sundry Debtors, Sundry Creditors, Loans and Advances and Other Liabilities are in process of confirmation/reconciliation. The management is of the opinion that adjustment if any arising out of such reconciliation would not be material.
4. In the opinion of the Board the Current Assets, Loans and advances appearing in the company's balance sheet as at the year end would have value on realization in the normal course of business at least equal to the respective amounts at which they are stated in the balance sheet.
5. Other income includes Rs.1682 (Previous Year Rs.39), which represent net effect of some very old outstanding balances written off/back (net).
6. Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. The company is in the



TEESTA AGRO INDUSTRIES LIMITED

process of compiling relevant information from its suppliers about their coverage under the said Act, since the relevant information is not readily available, no disclosure has been made in these accounts.

7. (a) Estimated amount of Capital Commitments net of advances as at 31.03.2009, and not provided for is Rs. Nil (Previous year Rs. Nil).

(b) Contingent Liabilities

	2008-09	2007-08
(Not provided for) in respect of :-		
- Letter of Credit	189402	45943
- Bank Guarantees	8632	8032
- Sales Tax matters under appeals	25205	25205
- Income tax matters under appeals	13972	13972
8. Consumption of raw materials includes foreign exchange loss of Rs.26144 (Previous year gain of Rs.8626).		
9. Miscellaneous Expenses includes:-	2008-09	2007-08
(a) Amount Paid/Payable to Auditors:		
(1) Audit Fees	125	110
(2) In other Capacities:		
- Fees for Tax Audits	25	20
- Certification Jobs	50	25
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 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.	86,742.332	1,00,666.007
G.S.S.P.	—	746.850
N : P : K	13,819.850	10,070.000
Sulphuric Acid	31,255.452	41,675.590



	M.T.	Rs.('000)	M.T.	Rs.('000)
(iii) Opening Stock of Finished Products:-				
S.S.P.	41170.525	160416	6750.268	22527
G.S.S.P.	—	—	50.000	230
N:P:K	497.900	2616	284.750	1777
Sulphuric Acid	3971.493	16155	2615.595	6535
(iv) Closing Stock of Finished Products:-				
S.S.P.	1785.407	19364	41170.525	160416
N:P:K	648.250	3270	497.900	2616
Sulphuric Acid	1980.260	13897	3971.493	16155
(v) Sales:-				
S.S.P.	126136.950	426265	65498.900	234482
G.S.S.P.	—	—	796.850	2736
N : P : K	13689.500	86095	9892.600	62727
Sulphuric Acid	3292.020	30924	5945.510	20424
b) Raw materials consumed including purchase through canalised agencies:-				
Rock Phosphate	46506.119	713559	54488.467	239319
Sulphuric Acid	29954.665	—	34374.182	—
Sulphur	10345.549	185245	13837.410	128811
Dolomite	6425.358	7688	4135.608	3924
China Clay	3886.572	4781	2708.061	3251
Urea	4920.958	24555	3921.570	19102
DAP	2332.796	22831	1673.820	16200
MOP	2660.890	12475	1921.200	8614
SOA	19.830	184	165.150	1087
MISC.	—	512	—	742
c) C.I.F. value of imported raw materials without considering materials purchased through canalised agencies:-				
Rock Phosphate	23940.000	580122	38900.000	159981
Sulphur	2196.470	8766	2076.895	22127
d) Value of Packing materials, stores, spares and accessories (all indigenous):-				
Consumed	—	34932	—	16670
11. Earning in Foreign Exchange		Nil		Nil
Expenditure in Foreign Currency				
- Books & Periodicals		—		111
12. Retirement Benefits				



### **Defined Benefits Plan**

- a) The company has subscribed to group gratuity policy with the Life Insurance Corporation of India to cover its liability towards employees gratuity. The company accounts for gratuity expenses in the profit and loss account in the year equivalent to the premium amount payable as per the actuarial valuation made by LIC.
- 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.

### **Defined Contribution Plan**

- c) Contribution to Defined Contribution Plan i.e. contribution to Provident Fund amounting to Rs.1315 (Previous year Rs.1151) has been recognized as expenses in the year and charged to revenue account. These contributions are made to the fund administered and managed by Regional Provident Fund Commissioner, Jalpaiguri.

## **13. 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 there are no separate geographical segments.

(Rs. in '000)

	Year Ended March 31, 2009	Year Ended March 31, 2008
1. Segment Revenue		
(A) Fertiliser	1223306	374440
(B) Sulphuric Acid	228905	149629
Total Segment Revenue	1452211	524069
Less : Inter-Segment Revenue	198810	129205
Net Sales/Income from Operations	1253401	394864
2. Segment Profit/(Loss) before tax and interest		
(A) Fertiliser	3219	16926
(B) Sulphuric Acid	16947	4269
Total	20166	21195
Add:		
(i) Unallocated Revenue & Expenditure (Net)	1831	(24)
Less :		
(i) Interest Expense (Net)	10375	12209
Net Profit/(Loss) from Ordinary Activities	11622	8962



3. Capital Employed (Segment Assets – Segment Liabilities)		
(A) Fertiliser	312704	384860
(B) Sulphuric Acid	33535	54029
Total	346239	438889
4. Capital Expenditure	3349	23355
5. Depreciation for the period	360	342

14. For the purpose of calculation of Earning Per Share in accordance with Accounting Standard 20 issued by ICAI, profit after tax Rs.11622 and 45,04,950 equity shares of Rs.10/- each fully paid up have been considered.

15. 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.249 has been recognized in the Profit and Loss Account for the year. Details of Deferred Tax Assets/(Liabilities) as on 31.03.2009 are as follows:

- |  |             |
|--|-------------|
| a. - Items under Section 43B of IT Act | Rs. 408     |
| b. - Depreciation                      | Rs. (17454) |

**Net Deferred Tax Assets/(Liabilities)**

**Rs. (17046)**

16. Management has evaluated value in use of its fixed assets as required by Accounting Standard 28. On evaluation, management is of the opinion that there is no impairment of the Company's assets as on 31<sup>st</sup> March, 2009 and hence no provision is required.
17. 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-



TEESTA AGRO INDUSTRIES LIMITED

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	3000
2) Mr. U. C. Sahoo	Remuneration and PF contribution	Nil	1954
3) Mr. Paramdeep Singh	- do -	Nil	700

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/rearranged wherever necessary.

Signature to Schedules 1 to 15

Siliguri,  
The 1st September, 2009

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	:	31.03.2009	(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	:	346241	Total Assets	:	346241
Source of Funds:					
Paid-up Capital	:	45050	Reserves & Surplus	:	268046
Secured Loans	:	2529	Unsecured Loans	:	13568
Deferred Tax Liabilities	:	17048			
Application of Funds	:				
Net Fixed Assets *	:	173683	Investments	:	5777
Net Current Assets	:	166781	Misc. Expenditure	:	Nil
Accumulated Losses	:	Nil			

**IV. Performance of Company:**

Turnover	:	1115117	Total Expenditure	:	1103495
Profit/(Loss) before tax	:	11622	Profit/(Loss) after tax	:	7292
Earning per Share in Rs.	:	1.62			
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,  
September 1, 2009

Hardev Singh  
Managing Director

Paramdeep Singh  
Director

J. Tiwari  
Company Secretary





TEESTA AGRO INDUSTRIES LIMITED

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

(Rs.in '000)

	For the year ended 31.3.2009	For the year ended 31.3.2008
<b>A. Cash Flow from Operating Activities :</b>		
Net profit/(loss) before tax and Extraordinary Items	11622	8962
Adjustments for :		
Depreciation	11657	11019
Interest Charged (Net)	10375	12209
Loss/(Profit) on Sale of Assets	71	0
	22103	23228
Operating Profit before working Capital Changes :	33725	32190
Adjustments for :		
Trade and other receivables	(173669)	30345
Inventories	247558	(136466)
Trade Payable	245250	13127
	319139	(92994)
Cash Generated from Operations	352864	(60804)
Interest Paid	(12280)	(12856)
Direct Taxes Paid	(4207)	(2678)
Fringe Benefit Tax	(372)	(316)
Extraordinary items	-	-
Net Cash from operating activities	336005	(76654)
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(6038)	(23403)
Sale of Fixed Assets	1,300	11
Interest Received	3193	662
Purchase of Investments	(0)	(2000)
Net Cash used in Investing Activities	(1545)	(24730)
<b>Carried Forward</b>	334460	(101384)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

(Rs.in '000)

	For the year ended 31.3.2009	For the year ended 31.3.2008
<b>Brought Forward</b>	334460	(101384)
<b>C. Cash Flow from Financing Activities :</b>		
Proceeds from Borrowings from Promoters	(5312)	(17141)
Re-payment of principal to Financial Inst.	-	-
Redemption of Preference Shares	-	-
Increase/(Decrease) in Cash Credit	(94411)	79865
Remission of VAT	(0)	9832
Net cash used in Financing Activities	(99723)	72556
Net increase in Cash and Cash Equivalent (A+B+C)	234737	(28828)
Cash and Cash Equivalent (Opening Balance)	51095	79923
Cash and Cash Equivalent (Closing Balance)	285832	51095
	234737	(28828)

For and on behalf of Board of Directors

Siliguri,  
September 1, 2009

Hardev Singh  
Managing Director

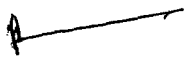
Paramdeep Singh  
Director

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, 2009 reported by us on 1st September, 2009. 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.

FOR TEESTA AGRO INDUSTRIES LTD

  
 Company Secretary

Siliguri,  
September 1, 2009

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



TEESTA AGRO INDUSTRIES LIMITED

## TEESTA AGRO INDUSTRIES LIMITED

Registered Office : Mazabari, Rajganj, Jalpaiguri

West Bengal

### PROXY FORM

I/We ..... of .....  
..... being a -Member/Members of  
TEESTA AGRO INDUSTRIES LIMITED hereby appoint Shri.....  
.....of.....  
.....or failing him .....  
of..... as my / our proxy to attend  
and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on  
Wednesday, 30th September, 2009 and / or at any adjournment thereof.

As witness my / our hands(s) this..... day of .....2009

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 Wednesday, 30th  
September, 2009 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