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Twenty Third
Annual Report
2006-2007

CEETA

INDUSTRIES LIMITED

TWENTY THIRD ANNUAL GENERAL MEETING

Tuesday, the 25th September, 2007, at 3.00 p.m., at Plot No. 34-38, KIADB Industrial Area, Sathyamangala, Tumkur- 572 104, Karnataka

BOARD OF DIRECTORS

Sri K.M. Poddar, Managing Director

Sri A.De

Sri A. Garodia

Sri S.L.Gupta

Sri Vaibhav Poddar

AUDITORS

G.K.Tulsyan & Co.

Chartered Accountants, Kolkata

REGISTERED OFFICE

Plot No. 34-38, KIADB Industrial Area,
Sathyamangala, Tumkur- 572 104, Karnataka

E-mail : info@ceeta.com

HEAD OFFICE

240B, A.J. C. Bose Road

2nd Floor, Kolkata- 700 020

E-mail : kolkata@ceeta.com

REGISTRAR & TRANSFER AGENT

Niche Technologies Pvt. Ltd.

D- 511, Bagree Market, 71, B.R.B.Basu Road,
Kolkata- 700 001; Phone : 033-2235-7270/71

WORKS

TUMKUR

ISO 9001 : 2000 a 100% EOU Granite Unit

Plot No. 34-38, KIADB Industrial Area,
Sathyamangala, Tumkur- 572 104, Karnataka

UDAIPUR

Udaipur Petro Synthetics

Village- Rahikhera, Bhutpura (Near Bhatewar)
Dist. Udaipur, Rajasthan

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INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the **23rd Annual General Meeting** of the Company will be held at the Registered Office of the Company at Plot No. 34-38, KIADB Industrial Area, Sathyamangala, Tumkur-572104, KARNATAKA on Tuesday, the 25th September, 2007 at 3.00 P.M. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and the Profit and Loss Account for the year ended on that date together with the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Sri S. L .Gupta, who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint the Auditors and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Section 314 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to statutory approvals, if any, consent be and is hereby accorded for the re- appointment of Sri Anubhav Poddar, as President of the Company on the following terms and conditions:-

1. He will be appointed as President of the Company for a period of three years with effect from 1st December, 2007 to 30th November, 2010.
2. His remuneration shall be subject to the maximum of Rs. 50,000/- per month towards the aggregate of Basic Salary and perquisites as mentioned below:
 - A. **Basic Salary** – Rs. 33,000/- p.m. which may be increased at the discretion of the Board and will be subject to maximum ceiling as mentioned above.
 - B. **Perquisites** – In addition to the salary he will be eligible for the following perquisites.

(1) Housing –I

The expenditure incurred by the company on hiring furnished accommodation for the President of the company will be subject to the following ceiling:

- a. Any amount exceeding 20 % of the Basic Salary of the President for the accommodation in the metropolite of Mumbai / Kolkata/ Chennai / New Delhi with a maximum of 50 % of such salary.
- b. Any amount exceeding 20 % of the Basic Salary of the President for the accommodation in any other place with a maximum of 40% of such salary.

Housing – II

In case the accommodation is owned by the Company, 20% of the salary of the President shall be deducted by the Company or,



Housing – III

In case no accommodation is provided by the company, the President shall be entitled to House Rent Allowance subject to maximum 40 % of Basic Salary.

(II) Medical Reimbursement:

Expenses incurred for self and his family subject to a ceiling of one month's salary in a year.

(III) Leave Travel Concession

For self and his family once in a year incurred for travel by Business Class to any destination in India or abroad subject to maximum 10% of his basic salary.

(IV) Fee of Clubs

Clubs' fee and charges subject to maximum of two clubs, excluding admission and life membership fees.

(V) Actual expenses incurred on gas, electricity and water shall be paid/ reimbursed by the company.

(VI) Other perquisites as per company's Rules within the maximum ceiling of remuneration.

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

"RESOLVED THAT pursuant to the provisions of Section 314 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to statutory approvals, if any, consent be and is hereby accorded for the re- appointment of Smt. Vrinda Poddar, as Coordinator – Export Promotion of the Company on the following terms and conditions:-

1. She will be appointed as Coordinator - Export promotion of the Company for a period of three years with effect from 1st December, 2007 to 30th November, 2010.
2. Her remuneration shall be subject to the maximum of Rs. 50,000/- per month towards the aggregate of Basic Salary and perquisites as mentioned below:
 - A. **Basic Salary** – Rs. 20,000/- p.m. which may be increased at the discretion of the Board and will be subject to maximum ceiling as mentioned above.
 - B. **Perquisites** – In addition to the salary she will be eligible for the following perquisites :-

(I) Housing –I

The expenditure incurred by the company on hiring furnished accommodation for Smt. Vrinda Poddar will be subject to the following ceiling:

- a. Any amount exceeding 20 % of the Basic Salary of the Coordinator – Export Promotion for the accommodation in the metropolite of Mumbai / Kolkata/ Chennai / New Delhi with a maximum of 50 % of such salary.
- b. Any amount exceeding 20 % of the Basic Salary of the Coordinator – Export Promotion for the accommodation in any other place with a maximum of 40% of such salary.

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Housing – II

In case the accommodation is owned by the Company, 20% of the salary of the Coordinator – Export Promotion shall be deducted by the Company or,

Housing – III

In case no accommodation is provided by the company, Smt. Vrinda Poddar shall be entitled to House Rent Allowance subject to maximum 40 % of Basic Salary.

(II) Medical Reimbursement:

Expenses incurred for self and her family subject to a ceiling of one month's salary in a year.

(III) Leave Travel Concession

For self and her family once in a year incurred for travel by Business Class to any destination in India or abroad subject to maximum 10% of her basic salary.

(IV) Fee of Clubs

Clubs' fee and charges subject to maximum of one clubs, excluding admission and life membership fees.

(V) Actual expenses incurred on gas, electricity and water shall be paid/ reimbursed by the company.

(VI) Other perquisites as per company's Rules within the maximum ceiling of remuneration.

By order of the Board

PLACE: KOLKATA
DATE: 30-07-2007

K. M. PODDAR
MANAGING DIRECTOR

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 the proxy need not be a member of the Company.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 21st September, 2007 to 25th September, 2007 (both days inclusive).
3. Members are requested to notify immediately change of address, if any, to the registrar and transfer agent of the company.
4. Members who have shareholdings in multiple accounts in identical names or joint accounts in the same order are requested to send all the share certificate(s) to the Registrar & Transfer Agents for consolidation of all such shareholdings into one account to facilitate better service.



ANNEXURE TO NOTICE:

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

Item No. 4

The terms of our President will expire on 30-11-2007. Our Board in line with the recommendation of the Remuneration Committee at its meeting held on 30-07-2007 reappointed him for a period of three years from 01-12-2007 to 30-11-2010 on the terms and conditions detailed in the resolution.

Note - Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per rules of the Company will not be included in the computation of maximum ceiling of remuneration. Provision of car for use in connection with Company's Business will not be considered as perquisites.

As per Section 314 of the Companies Act, 1956, a Special Resolution is required to be passed in Annual General Meeting of the company for the above purpose.

Your Directors, therefore, recommend the resolution set out at item No. 4 of the Notice for your approval by way of special resolution.

No other Director except Sri Krishna Murari Poddar, Managing Director and Sri Vaibhav poddar, Director being relatives of Sri.Anubhav Poddar are interested in the resolution.

The explanatory statement read with the proposed resolution may be treated as an abstract of terms of the re-appointment and memorandum of interest u/s 302 of the Companies Act, 1956.

Item No. 5

The terms of Smt. Vrinda Poddar will expire on 30-11-2007. Our Board in line with the recommendation of the Remuneration Committee at its meeting held on 30-07-2007 reappointed her for a period of three years from 01-12-2007 to 30-11-2010 on the terms and conditions detailed in the resolution.

Note - Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per rules of the Company will not be included in the computation of maximum ceiling of remuneration. Provision of car for use in connection with Company's Business will not be considered as perquisites.

As per Section 314 of the Companies Act, 1956, a Special Resolution is required to be passed in Annual General Meeting of the company for the above purpose.

Your Directors, therefore, recommend the resolution set out at item No. 5 of the Notice for your approval by way of special resolution.

No other Director except Sri Krishna Murari Poddar, Managing Director and Sri Vaibhav poddar, Director being relatives of Smt.Vrinda Poddar are interested in the resolution.

The explanatory statement read with the proposed resolution may be treated as an abstract of terms of the re-appointment and memorandum of interest u/s 302 of the Companies Act, 1956.

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DIRECTORS' REPORT

For the period ended 31st March, 2007

Dear Shareholders,

Your Directors have pleasure in presenting their report on business and operations of your company together with the Audited Accounts of the company for 2006-2007.

Financial Year

The Company's Financial Year covers a period of 12 months from 1st April, 2006 to 31st March, 2007 as compared to the previous period which covered a period of 6 months from 1st October, 2005 to 31st March 2006.

FINANCIAL RESULTS

All figures in Rs. lacs

Particulars	Current Year (12 Months)	Previous Period (6 Months)
Sales Turnover	552.51	500.58
Profit before Interest & Depreciation	180.38	243.16
Interest	16.06	12.34
Depreciation	34.49	16.31
Profit before taxation	129.83	214.51
Provision for F.B.T.	3.26	2.70
Profit after tax	126.57	211.81
Prior period adjustments	(2.85)	(0.10)
Net Profit	123.72	211.71

During the year under review our company's turnover was Rs. 552.51 lac as against Rs. 500.58 lac in the previous period of 6 months. The low level of turnover during the year was due to low off-take from the U.S. market where the economy faced slow down of construction activity. The company's profitability, therefore, declined and the company achieved a profit before tax of Rs. 129.83 lac as against Rs. 214.51 lac in the previous period.

The company's synthetic yarn unit at Udaipur continues to remain inoperative during the year under review.

It has been the practice of the company to undertake activities such as trading, mining, transportation, rendering service to industrial concerns depending upon the available opportunity. Our company could effectively undertake mining and transportation activity and provide consultancy service to industrial concern and fetch a reasonable margin of profits during the period under review.

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INDUSTRIES LIMITED

Rehabilitation

The company during the year under review restructured its capital by reducing the faced value of equity shares from Rs. 10 to Re. 1 and by issuing additional 72,00,000 equity shares of Re. 1 each to its promoters in terms of the Rehabilitation Scheme sanctioned by BIFR. The company has been pursuing with the Government of Karnataka the relief in respect of entry tax in terms of the Rehabilitation Scheme approved by BIFR.

Prospect

In view of on-going slow down in construction activity in the U.S. A. your company has started developing its contacts in other countries such as Europe, Australia, New ZeaLand, and Middle East countries and has been getting favourable response from these countries. With the diversification of market your company expects to improve upon its turnover and profitability. The company has been exploring possibilities of disposing off its Synthetic Yarn Unit at Udaipur.

Directors

Sri S. L. Gupta, Director of the Company, is liable to retire by rotation pursuant to the provisions of the Companies Act, 1956 and the Articles of Association of the Company and being eligible, offers himself for re-appointment. He is Non-Executive Independent Director of the company. He is a businessman. He holds the directorship in Hindustan Mercantile Bank Ltd., Europa Commercial & Traders Ltd., Spangle Marketing Ltd., Tetron Commercial Ltd. and Kingstone Krystals Ltd. He does not hold any share of Ceeta Industries Limited either in his own name or as a beneficiary

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

- a) in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis.

Subsidiary Company

In terms of Section 212 of the Companies Act, 1956, the documents required to be annexed in respect of M/s. Kingstone Krystals Limited, a subsidiary Company, are attached to this report.

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Auditors

The Auditors, M/s.G.K.Tulsyan & Co., Chartered Accountants retire at the ensuing Annual General Meeting and offer themselves for reappointment. The Directors recommend their reappointment.

Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo:

Information as per Section 217(1)(e) read with Rule 2(A) and 2(B) of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are given in the 'Annexure – A' as forming part of the report.

Personnel

Your Directors would like to put on record their appreciation of the sincere and dedicated services rendered by the loyal employees of the Company.

There are no employees drawing remuneration, which requires disclosure under Section 217(2A) of the Companies Act, 1956.

Corporate Governance

The Company believes in and has practiced good Corporate Governance. The spirit of Corporate Governance is being gradually built up in the Company and is not just restricted to ensuring compliance with regulatory requirements but also meeting higher standards of transparency, accountability and integrity in respect of all its transactions. Based upon the above philosophy your Directors present a report on corporate governance as 'Annexure – B' to their report.

On behalf of the Board of Directors

Place : Kolkata
Dated: 30/07/2007

K.M.Poddar,
Managing Director



'ANNEXURE – A' FORMING PART OF DIRECTORS' REPORT:

INFORMATION PURSUANT TO SECTION 217 (1)(e) OF THE COMPANIES ACT, 1956 READ WITH RULE 2(A) AND 2(B) OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT.

A. Conservation of Energy:

Power and Fuel Consumption

	Current Year (12 months)	Previous Period (6 months)
1. Electricity - Purchased		
Units (Kwh)	2022024	995910
Total Amount (Rs.)	9627221	4710747
Rate/ Unit (Rs.)	4.76	4.73
2. Electricity – Owned Generation		
Through Diesel Generator		
Units (Kwh)	NIL	NIL
Units/ Ltrs of Diesel Oil		
Total Amount (Rs.)	NIL	NIL
Cost/ Unit (Rs.)		

B. Technology absorption

a) Research & Development (R & D)

- | | |
|---|--|
| <p>1. Specific areas in which R & D carried out by the Company and benefits derived as a result thereof.</p> <p>2. Future plan of action.</p> | <p>No research and development work has been carried out by the Company. Therefore, there is no expenditure on account of R & D.</p> <p>The Company being a sick Company with financial problem has kept in abeyance its plan on research and development.</p> |
|---|--|

b) Technology Absorption, Adaptation and Innovation

Technical Innovations/ modifications are being made on regular basis in the process to achieve cost reduction, product improvement, etc.

C. Foreign Exchange Earnings and Outgo

(Rs.in lacs)

1. Foreign Exchange Earnings	174.14
2. Foreign Exchange Outgo	
i) CIF Value of Imports of Components & Spare Parts	220.59
ii) Expenditure in Foreign Currency on Foreign Travel & Others	0.20