

CEETA

INDUSTRIES LIMITED

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Twenty Fifth
Annual Report
2008-2009

CEETA INDUSTRIES LIMITED

TWENTY FIFTH ANNUAL GENERAL MEETING

Tuesday, the 22nd September, 2009, 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 S.K. Chhawchharia

Sri S.L. Singhania

AUDITORS

G.K.Tulsyan & Co.

Chartered Accountants, Kolkata

REGISTERED OFFICE

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

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 AT :

TUMKUR

ISO 9001 : 2000 a 100% EOU Granite Unit

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

CEETA INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 25th 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 22nd September, 2009 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, 2009 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 the Auditors and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

3. Appointment of Sri S. K. Chhawchharia as a Director

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Sri S. K. Chhawchharia, who was appointed as director in casual vacancy and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 262 of the Companies Act, 1956 and in respect of whom a notice in writing proposing himself as candidature for the office of Director of the Company received by the Company under section 257 of the Act, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By order of the Board

PLACE: KOLKATA

DATE: 29/07/2009

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 20th September, 2009 to 22nd September, 2009 (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.

CEETA INDUSTRIES LIMITED

ANNEXURE TO NOTICE

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

Item No. 3

Sri S. K. Chhawchharia was appointed as director by the Board of Directors with effect from 29th January, 2009 in casual vacancy caused by resignation of Sri Arun Garodia and in terms of Section 262 of the Companies Act, 1956 he will hold office only up to the date up to which the director in whose place he is appointed would have held office if he had not vacated the office. Since Sri Arun Garodia, if not vacated the office, would have to retire by rotation in the forthcoming Annual General Meeting, Sri S.K. Chhawchharia holds office up to the date of the forthcoming Annual General Meeting of the Company.

Sri S.K. Chhawchharia, a fellow member of The Institute of Chartered Accountants of India is a practicing Chartered Accountant for last 42 year. Apart from audit he is a reputed consultant in the fields of finance, management, corporate advisory, commercial, legal and secretarial matters including imparting expert service for taking various strategic corporate decisions in different industries.

Your Directors are of the view that the Company would be immensely benefited by the wealth of experience and expert advice of Sri S. K. Chhawchharia and therefore recommended for approval, the resolution contained in item no. 3 of the Notice convening the Annual General Meeting.

None of the Directors except Sri S.K. Chhawchharia is interested in item No. 3 of the Notice.

By order of the Board

PLACE: KOLKATA

DATE: 29/07/2009

K. M. PODDAR
MANAGING DIRECTOR

CEETA INDUSTRIES LIMITED

DIRECTORS' REPORT

For the year ended 31st March, 2009

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 2008-2009.

FINANCIAL RESULTS

All figures in Rs. lacs.

Particulars	Current Year	Previous Year
Sales Turnover	658.55	628.06
Other Income	723.15	828.76
Total Income	1381.70	1456.82
Profit before Interest & Description	130.99	233.02
Interest	1.12	11.73
Depreciation	33.82	36.07
Profit before taxation	96.05	185.22
Provision for F.B.T.	2.45	2.66
Profit after tax	93.60	182.56
Prior period adjustments	(0.93)	(3.83)
Net Profit	92.67	178.73

During the year under review the total income of the company was Rs. 1381.70 lac as against Rs. 1456.82 lac in the previous year. The stagnancy in company's turnover and income during the year was due to continued difficult trading condition in the export market and lack of growth in demand for granite products. During the year the company earned profit before tax Rs. 95.12 lac as against Rs. 181.39 lac in the previous year.

Prospect

The company continues its efforts to make inroads in direct export market to fetch a better margin as against third party exports. The slow down and recession in various foreign countries made the company's task difficult. However, the company is presently pursuing for having tie-up with certain large customers in U. S. market.

Directors

Sri Shankar Lal Singhania was appointed as independent director with effect from 15/09/2008 in casual vacancy caused by resignation of Sri Sohan Lal Gupta. He is a businessman having about 25 years of experience.

Sri Sushil Kumar Chhawchharia, a practicing chartered accountant and L.L.B., was appointed as independent director with effect from 29/01/2009 in casual vacancy caused by resignation of Sri Arun Garodia. He has an experience of about forty two years in his profession. He vacates his office in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Sri Vaibhav Poddar tendered his resignation as director with effect from 30th March, 2009.

CEETA INDUSTRIES LIMITED

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.

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.

By order of the Board of Director

PLACE: KOLKATA
DATE: 29/07/2009

K. M. PODDAR
MANAGING DIRECTOR

CEETA INDUSTRIES LIMITED

'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 (2008-09)	Previous Year (2007-08)
1. Electricity - Purchased		
Units (Kwh)	1477380	1768300
Total Amount (Rs.)	71,53,994	83,44,207
Rate/ Unit (Rs.)	4.84	4.72
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)

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

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	67.43
2. Foreign Exchange Outgo	
i) CIF Value of Imports of Components & Spare Parts	146.44
ii) Expenditure in Foreign Currency on Foreign Travel & Others	1.30

CEETA INDUSTRIES LIMITED

ANNEXURE – B' FORMING PART OF DIRECTORS' REPORT:

REPORT ON CORPORATE GOVERNANCE

1. Brief Statement on company's Philosophy on code of governance
The Company believes in and has practiced good corporate governance. The spirit of corporate governance has prevailed in the Company since its inception. The Company's philosophy is shaped by the values of transparency, professionalism and accountability.
2. Board of Directors
The Board of Directors is constituted in compliance with Clause 49 of the Listing Agreement. The Board as on 31st March, 2009 comprised four members, out of which three members are Non- Executive Independent Directors. Sri K.M. Poddar is the Managing Director.

Sl. No.	Name	Category	No. of Director-ship in other Cos.	No. of Membership(s) Chairmanship(s) of Board Committees of other Companies	No. of Board Meetings attended	Whether attended last AGM
1.	Sri K. M. Poddar	Promoter & Managing Director	4	2	4	No
2.	Sri A. De Independent	Non-Executive Director	5	1	6	Yes
3.	Sri S.L. Gupta (ceased to be a director w.e.f. 15.09.08)	Independent, Non-Executive Director	15	NIL	3	No
4.	Sri Arun Garodia (ceased to be a director w.e.f. 29.01.09)	Independent, Non-Executive Director	1	NIL	3	No
5.	Sri S.K. Chhawchharia (appointed w.e.f. 29.01.09)	Independent, Non-Executive Director	4	NIL	-	No
6.	Sri S.L. Singhania (appointed w.e.f. 15.09.08)	Independent Non-Executive Director	7	NIL	3	No.
7.	Sri Vaibhav Poddar (ceased to be a director w.e.f. 30.03.09)	Promoter, Non-Executive Director	2	NIL	6	No

CEETA INDUSTRIES LIMITED

Details of Board Meeting during the financial year

During the year ended 31st March, 2009, four Board Meetings of the Company were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors Present
1	25 th April, 2008	5	3
2	30 th April, 2008	5	4
3	29 th July, 2008	5	5
4	15 th September, 2008	5	3
5	31 st October, 2008	5	4
6	29 th January, 2009	5	4
7	30 th March, 2009	4	2

Last Annual General Meeting (AGM) of the Company was held on 12th September, 2008.

3. Audit Committee

The Audit Committee of the Company was constituted in conformity with the requirement of Clause 49 of the Listing Agreement, as well as Section 292A of the Companies Act 1956.

The prime objective of the Audit Committee is to effectively supervise the Company's financial reporting process with a view to discharge the responsibility as per the terms of reference.

Briefly, the terms of reference of Audit Committee are as follows:

The Role of Audit Committee Under Section 292A of the Companies Act 1956 includes:

- a) Discuss with the Auditors periodically about the internal control systems and the scope of Audit which will include the observations of the Statutory Auditors;
- b) Review of the half yearly and annual financial statements before submission of the same to the Board;
- c) Ensuring compliance of internal control system; and
- d) Investigation into any matter relating to the above or referred to it by the Board.

The Role of Audit Committee Under clause 49 of Listing Agreement includes:

- a) Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services;
- c) Reviewing with management the annual financial statements before submission to the Board;
- d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems;
- e) Reviewing the adequacy of internal audit functions;
- f) Discussion with internal auditors any significant findings and follow up thereon;
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- h) Discussion with Statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- i) Reviewing the Company's financial and risk management policies;
- j) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- k) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

CEETA INDUSTRIES LIMITED

The composition and categories of the Audit Committee are as under:

Sl. No.	Name	Chairman / Member / Others	No. of Meetings attended
1.	Sri A. De	Chairman	3
2.	Sri S.L. Singhania	Member (appointed w.e.f. 15.09.08)	2
3.	Sri S.K. Chhawchharia	Member (appointed w.e.f. 29.01.09)	-
4	Sri S.L. Gupta	Member (ceased to be a member w.e.f. 15.09.08)	2
5	Sri Arun Garodia	Member (ceased to be a member w.e.f. 29.01.09)	2

Details of Audit Committee Meetings and Attendance

During the year ended 31st March, 2008, four meetings of the Audit Committee of the Company were held, as follows :

Sl.No.	Date	Committee Strength	No. of Members Present
1	30 th April, 2008	3	2
2	29 th July, 2008	3	3
3	31 st October, 2008	3	2
4	29 th January, 2009	3	2

The meetings are usually held on the same day and before the Board meetings where the financial results of the Company are considered. The results are reviewed by the Committee before they are placed before the Board.

4. Remuneration Committee

The Board of Directors of the Company at their meeting held on 25th October, 2004 had constituted Remuneration Committee of Directors mainly for the purpose of recommending the Company's policy on Remuneration Package for the Managing Director and other specified management personnel, reviewing the structure, design and implementation of remuneration policy in respect of such persons.

The composition and categories of the Remuneration Committee are as under:

Sl. No.	Name	Chairman / Member / Others	No. of Meetings attended
1.	Sri A.Garodia	Chairman (ceased to be a chairman w.e.f. 29.01.09)	0
2	Sri S.K. Chhawchharia	Chairman (appointed w.e.f. 29.01.09)	0
3.	Sri S.L. Gupta	Member (ceased to be a member w.e.f. 15.09.08)	0
4	Sri S.L. Singhania	Member (appointed w.e.f. 15.09.08)	0
5.	Sri A. De	Member	0