

TEESTA AGRO INDUSTRIES LIMITED



**13TH
ANNUAL REPORT
AND ACCOUNTS
1999**



TEESTA AGRO INDUSTRIES LIMITED

BOARD OF DIRECTORS

Chairman-Cum-Managing Director

Sri Hardev Singh

Directors

Smt. Joginder Kaur

Sri B. M. Sharma

Sri R. C. Wadhwa

Sri Inderdeep Singh

Sri A. K. De Nominee of IDBI

Secretary

Sri J. Tiwari

Auditors

Price Waterhouse

Bankers

State Bank of India

Allahabad Bank

Union Bank of India

Corporate Office

63/1/2, Sarat Bost Road

Calcutta - 700 025

Registered Office & Works

Rajganj, Jalpaiguri, West Bengal

Share Registrar

P.C.S. Industries limited

P-93/A & 93/B,

C.I.T. Road, Scheme - VI M,

Calcutta - 700 054



TEESTA AGRO INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the Thirteenth Annual General meeting of Teesta Agro Industries Limited will be held at the Registered Office of the Company at Mazabari, Rajganj, Jalpaiguri, West Bengal on Friday, the 24th December, 1999 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, 1999 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors there on.
2. To appoint a Director in place of Mr. B. M. Sharma who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Joginder Kaur who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to pass with or without modification (s), the following resolution as an ordinary resolution :-

"RESOLVED that M/s. Mantry & Associates, Chartered Accountants, Siliguri be and are hereby appointed Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company including the terms of payment."

SPECIAL BUSINESS

5. Re-appointment of Mr. Hardev Singh as Managing Director.

To Consider and if thought fit, to pass with or without modification, the following resolution as ordinary Resolution.

"RESOLVED that in accordance with the Provisions of Sections 269, 309, 311 and other applicable provisions of the Companies Act, 1956, if any, the Company hereby accords its approval to the re-appointment of Mr. Hardev Singh as the Managing Director of the Company for a period of 5 (five) years with effect from 9th day of August, 1999 upon the terms and conditions set out in the draft letter submitted to this meeting and for identification where of signed by the Chairman which is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Directors and Mr. Hardev Singh."

"RESOLVED FURTHER THAT Mr. Hardev Singh, as the managing Director of the Company shall carry on such duties as may be entrusted to him from time to time by the Board of Directors and subject to its supervision and control of the Board of Directors."

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



TEESTA AGRO INDUSTRIES LIMITED

"Resolved that the share holders hereby extend their whole hearted faith and confidence on the present management of the Company for carry ing out such duties to contest the suit filed by IDBI before the Debt Recovery Tribunal, Calcutta."

Registered Office :
Mazabari, Rajganj,
Jalpaiguri, West Bengal
Date : The 25th November, 1999

By the Order of the Board
J. Tiwari
Company Secretary

NOTES :

1. Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 is enclosed.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxies in order to be effective must be received at the Registered office of the Company not less than 48 hours before the meeting.
3. M/s. Price Waterhouse, the Statutory Auditors of the Company have expressed their unwillingness to be re-appointed, vide their letter of 4th November, 1999.

The Company has received a Notice in writing from a member of the Company under section 225 of the Companies' Act, 1956 read with section 190 of the said Act expressing his intention to propose the name of M/s. Mantry & Associates, Chartered Accountants, Siliguri as the Statutory Auditors of the Company at the forth coming Annual General Meeting of the members of the Company. The Company has received confirmation in writing from M/s. Mantry & Associates, Chartered Accountants, Siliguri under section 224 (1) (B) of the Companies Act, 1956 that their appointment, if made at the forth coming Annual General Meeting would be within the limits set out under above referred section.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from 21st December, 1999 to 24th December, 1999 both days inclusive.
5. 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. P.C.S. Industries Limited.
6. Members are requested to take up correspondences in the matter of Shares of the Company directly with the Registrar at the following Address :

PCS Industries Limited
Unit : Teesta Agro Industries Ltd.
P 93/A & 93/B,
C.I.T. Road,
Scheme VI M,
Calcutta - 700 054


TEESTA AGRO INDUSTRIES LIMITED

Explanatory statement as required under section 173(2) of the Companies Act, 1956.

ITEM No. : 5

As the Present term of Mr. Hardev Singh, Managing Director of the Company expired on the 8th August, 1999, the Board of Directors at its meeting held on 30th July, 1999 had, subject to the approval of the share holders of the Company, re-appointed Mr. Hardev Singh as the Managing Director of the Company on the following terms and conditions :-

1. Date of re-appointment : 9th Day of August, 1999
2. Term of Office : 5 years
3. Remuneration/Commission/Perquisite :

The quantum of remuneration and the date of payment there of will be decided by the Board of Directors subject, however, to the provisions of Schedule XIII to the Companies Act, 1956.

4. Duties : Mr. Hardev Singh Shall carry out such duties as may be entrusted to him by the Board of Directors subject to its supervision and Control.

Mr. Hardev Singh is the Prime Architect of this Company. He is a top level manager with vast experience in Fertiliser Industry, and possesses know-how of SSP industry. The exigencies and the present condition of the business demand his reappointment. Since his appointment as managing director, the Company has been gainging market of its products within West Bengal and North Eastern States.

The proposed re-appointment of Mr. Hardev Singh is made in fulfilment of the terms and conditions as set out in schedule XIII to the companies Act, 1956 and so, it does not require the approval of the Government of India.

The above may be treated as abstract under section 302 of the Companies Act, 1956.

The Directors recommend this resolution for approval of the shareholders. None of the Directors of the Company except Mr. Hardev Singh and Mrs. Joginder Kaur is interested in the proposal.

Item No. : 6

As stated in the Directors' Report the BIFR declared the company as sick and appointed IDBI as operating Agency to examine the viability and formulate a revival scheme. In the meanwhile IDBI had filed a case with the Debt Recovery Tribunal, Calcutta to recover their dues.

The approval of the share holders authorising the Board of Directors to take necessary steps to defend the case in the interest of the Company and the members is sought for your consideration.

Registered Office :
Mazabari, Rajganj,
Jalpaiguri, West Bengal

Date : The 25th November, 1999

By the Order of the Board
J. Tiwari
Company Secretary



TEESTA AGRO INDUSTRIES LIMITED

DIRECTORS' REPORT**TO THE MEMBERS OF TEESTA AGRO INDUSTRIES LIMITED**

Your Directors take pleasure in presenting the Thirteenth Annual Report of the Company together with Audited Statement of Accounts for the year ended 31st March, 1999.

01. FINANCIAL RESULTS

	Current Year	Previous Year
	Rs. Lacs.	Rs. lacs.
Total turnover & other receipts	4156.29	3380.11
Operating Profit before interest, depreciation and other non cash expenses	126.38	114.93
Less : Interest on Loan	44.11	490.40
Cash Profit/Loss	82.27	(375.47)
Less : Depreciation and other noncash Expenses	101.44	91.34
Profit for the year	(19.17)	(466.81)
Provision for taxation	(0.37)	-
Profit after tax	(19.54)	-
Add : Profit brought forward from Previous Year	(506.15)	(39.34)
Surplus carried forward to next year	(525.69)	(506.15)

02. DIVIDEND

The Directors are not in a position to recommend any dividend in view of the accumulated losses of your company for the period ending 31st March, 1999.

03. OPERATION

During the year under report the aggregate S.S.P. sale of the Company recorded an all time high of 1,31,423 M.T. registering an increase of almost 16% over the sales achieved in the previous year. Sulphuric Acid production had also gone up by 30% as compared to the last year. This could be made possible because of this year's expansion programme of the Sulphuric Acid Plant capacity, whose rated capacity were increased from 33000 MT to 49500 MT per annum. In spite of higher production and sales of your company during the year, your company was not in a position to shrug off from the impasse because of the abolition of Retention Price System (RPS), subsequent introduction of inadequate and disproportionate Rebated Subsidy System, disparity in the pricing of DAP and SSP fertilizer on account of disproportionate Subsidy of SSP/DAP, Import ban of GSSP/SSP imposed by Bangladesh Government, absence of need based Cash Credit Facility from the Bankers, the ever increasing interest burden payable to the financial institutions and the overall uncertain & unfavourable Govt. Policies.



TEESTA AGRO INDUSTRIES LIMITED

04. REHABILITATION SCHEME

Because of continued deterioration of its financial position for aforesaid reasons since 1996, your company has ultimately incurred an accumulated loss of Rs. 525.69 lakhs, which exceeds its networth of Rs. 455 lakhs and as indicated in the last year's Report, your Directors keeping in view the overall interest of all concerned, have made a reference to the Board for Industrial and Financial Reconstruction (BIFR) in pursuance to the provisions of section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA).

The BIFR vide their order dated 11th June, 1999 has notified your company as a Sick Industrial Company in term of Section 3 (1) (0) of the said Act and appointed IDBI as the operating agency for examining the viability and formulate a rehabilitation scheme for its revival. Since then your Director's have submitted a Rehabilitation Scheme to the operating agency for their examination.

IDBI had filed a case with the Debt Recovery Tribunal, Calcutta to recover their outstanding dues, which is sub judice.

0.5 CURRENT PROSPECTS

Notwithstanding the reference of your company to BIFR, your Directors are sparing no efforts in all areas of the operation of the company for better utilisation of the resources. In spite of the ban of import of SSP by Bangladesh Govt. your company has succeeded in annexing new market regions like Bihar, North Eastern States to its existing marketing set up. All round efforts are in the anvil to ensure optimum utilisation of all the means available at the Company's disposal.

0.6 EXPORT

The Company had earned a foreign exchange to the tune of Rs. 692.86 lakhs as against Rs. 586.69 Lakhs of the previous year, from its export proceeds.

0.7 DIRECTORS

Mr. B. M. Sharma and Mrs. Joginder Kaur retire by rotation at the forth coming Annual General Meeting and being eligible offer himself/herself for reappointment. Industrial Development Bank of India (IDBI) had withdrawn it's nominee Director from the Company's Board of Directors with effect from 23rd August, 1999.

0.8 EMPLOYEES

Your Company's faith and practice in Human Resource Development (HRD) has ensured a perfect man-management relation and congenial Industrial relation atmosphere in the company and your Directors appreciate the continued efforts at all levels for the growth of the Company.

No employee of the company is covered under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975.



0.9 YEAR 2000 COMPLIANCE

Your Directors are pleased to mention that your company will become fully year 2000 compliant by middle of December, 1999. The cost of such compliance is being negligible.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT

The Company has taken necessary steps to minimise power consumption, conservation and proper utilisation of power. The Company has installed one 750 KVA Auto Voltage Regulator during the year for these purpose.

11. AUDITORS

M/s. Price Waterhouse, Chartered Accountants, Calcutta Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting.

However they have expressed their unwillingness to be re-appointed, vide their letter of 4th November, 1999.

The Company has received a Notice in writing from a member of the Company under section 225 of the Companies' Act, 1956 read with section 190 of the said Act expressing his intention to propose the name of M/s. Mantry & Associates, Chartered Accountants, Siliguri/ as the Statutory Auditors of the Company at the forth coming Annual General Meeting of the members of the Company. The Company has received confirmation in writing from M/s. Mantry & Associates, Chartered Accountants, Siliguri under section 224 (1) (B) of the Companies' Act, 1956 that their appointment, if made at the forth coming Annual General Meeting would be within the limits set out under above referred section.

12. FINANCE AND ACCOUNTS

The observation in Auditor's Report read with notes of Accounts are self explanatory.

13. APPRECIATION

Your Directors place on record their appreciation for the valuable co-operation and support extended by the Customers, Share-holders, Financial Institutions, Banks, Central Government, Govt. of West Bengal, Assam & Meghalaya and all these who are associated with the Company.

For and on Behalf of the Board of Directors

Registered Office :
Mazabari, Rajganj,
Jalpaiguri, West Bengal
Date : The 25th November, 1999

(Hardev Singh)
Chairman-cum-Managing Director