

TEESTA AGRO INDUSTRIES LIMITED



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16TH ANNUAL REPORT AND ACCOUNTS 2002

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

Secretary

Sri J. Tiwari

Auditors

Mantry & Associates

Bankers

State Bank Of India
Allahabad Bank
Union Bank of India

Corporate Office

63/1/2, Sarat Bose Road, Kolkata -700 025

Registered Office & Works

Rajganj, Jalpaiguri, West Bengal, Pin : 735134

Share Registrar

Maheswari 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 Sixteenth 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 THURSDAY, , 26th September 2002 at 9 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; 2002 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon .
2. To appoint a Director in place of Mrs. Joginder Kaur who, retires by rotation and being eligible, offers herself for re-appointment ,
3. To appoint Auditors and to fix their remuneration and in this regard to pass, with or without modification(s), the following resolution as an ordinary resolution:-

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

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution :-
- "Resolved that Mr, Paradeep Singh be and is hereby appointed as a Director of the Company, whose period of office shall be Liable to determination by retirement of Directors, by rotation ."
5. To declare and announce the Postal Ballot results of the special resolution required to be transacted through Postal Ballot under Section 192A of the Companies Act, 1956 and rules made thereunder in respect of alteration of the Object Clause in the Memorandum of Association of the Company .

RESOLUTION

"Resolved that clause No. 10 under the head "Other Objects" in the Memorandum of Association of the Company be and is hereby deleted."

6. To declare and announce the Postal Ballot results of the special resolution required to be transacted through Postal Ballot under Section 192A of the Companies Act, 1956, and rules made thereunder in respect of alteration of the Object Clause in the Memorandum of Association of the Company .

**RESOLUTION**

"Resolved that pursuant to Section 16,17 and other applicable provisions. if any, of the Companies Act, 1956, the following clause be added after Clause 10 in Other Objects" in the Memorandum of Association of the Company and numbered as Clause 11 :-

11. To establish, acquire, maintain and carry on the business of growers, cultivators, producers, planters, blenders, buyers, sellers, auctioners, exporters, importers, manufacturers, and to carry on the business of tea, coffee, cinchona, rubbers, sugar, grass, bamboos timber, that or any other Agricultural Produce and to prepare, manufacture; and render marketable any such produce, and to sell, dispose off, and deal in any such produce, either in its prepared, manufactured or raw state and to acquire by purchase or by taking upon lease or otherwise any tea or other Agricultural Produce state in India or outside India."
7. To declare and announce the Postal Ballot results of the special resolution required to be transacted through Postal Ballot under Section 192A of the Companies Act, 1956, and rules made thereunder In respect of alteration of the Object Clause In the Memorandum of Association of the Company .

RESOLUTION

"Resolved that pursuant to Section 16, 17 and other applicable provisions, if any, of the Companies Act, 1956, the following Clause be added after Clause 11 in "Other Objects" in the Memorandum of Association of the Company and numbered as Clause 12 :-

12. To carry on the business of manufacturers, repairers, Importers, exporters, suppliers, selling agents, distributing agents, intermediaries, representatives, for and dealers in all types of electrical transformers, low and high voltage switch gears, switches and starters metering sets, voltage stabilisers, motors, pumps, furnaces, ovens, control equipments, transmission towers and overhead fittings, mining equipments, electrical substation equipments including the business of generation and distribution of power in all its forms and kinds .
8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a special resolution :-

"Resolved that the Board of Directors of the Company be and is hereby authorised to commence all or any business as mentioned in Clauses 10 & 11, under the head "Other Objects " in the Memorandum of Association of the Company, from such date as the Board of Directors may deem fit and proper, upon such clauses becoming effective and further that the Board of Directors be and is hereby also authorised to do all such acts, things, deeds and matters which may be connected therewith or incidental thereto."

Siliguri Office :
25, Burdwan Road (1st Floor)
Siliguri-734405
Date : The 31st July, 2002

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



TEESTA AGRO INDUSTRIES LIMITED

NOTES :—

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company . The proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting .
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 16th September, 2002 to 23rd September, 2002 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. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed.
5. Item Nos, 5,6 and 7 are required to be transacted through Postal Ballot under Section 192A of the Companies Act, 1956 and rules made thereunder . Additional information In respect of Postal Ballot is furnished below :-
 - a) Shareholders are requested to send their assent or dissent in writing to the Scrutinizer at the Registered Office of the Company by Postal Ballot in the prescribed Postal Ballot Form enclosed herewith . A self - addressed postage pre - paid envelope is also enclosed herewith.
 - b) The Postal Ballot Form duly completed and signed should be forwarded to the Registered Office of the Company at Mazabari. P.O.: Rajganj, Dist. : Jalpaiguri, West Bengal, Pin : 735134 so as to reach the Company not later than the close of working hours on 16th Sep. 2002 .
 - c) Postal Ballot shall not be exercised by a Proxy .
 - d) In accordance with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001. Postal Ballots received after September 16th, 2002 shall be treated as If the reply from the shareholders has not been received and the same shall not be considered .
 - e) incomplete, unsigned or incorrectly ticked Postal Ballot is Subject to rejection.
 - f) The Company has appointed Mr. P. Bhattacharya, Senior Advocate, as Scrutinizer who in the opinion of the Board, can conduct the Postal Ballots voting process in a fair and transparent manner as Scrutinizer.
 - g) The Scrutinizer will be in position to complete the compilation by 23rd September, 2002 and will submit his final report on or before the said date to the Chairman .
 - h) The Scrutinizer will be available at the Registered Office of the Company for the purpose of ascertaining the requisite majority and the Postal Ballots and all other papers relating to Postal Ballots will be under his safe custody till the Chairman of the meeting considers, approves and signs the minutes of the meeting .



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

Item No. 4

Mr. Paramdeep singh was appointed Addition Director of the Company in the Board Meeting held on 30.04.02. As per Seection 260 of the Companies Act, 1956, he will hold office till the conclusion of this Annual General Meeting. The Company has received Notice in writing from a Member of the Company under Section 257 of the Companies Act, 1956, expressing his intention to propose the name of Mr. Paramdeep Singh for the office of Directorship of the Company. Mr. Paramdeep Singh has expressed his willingness to act as a Director, if elected and has filed his consent in this regard with the Company under Section 264(1) of the Companies Act, 1956.

The Board of Directors recommends the resolution for approval of the members of the Company.

Save & except Mr. Paramdeep Singh, Mr. Hardev Singh, Mrs. Joginder Kaur and Mr. Inderdeep Singh, no Director of the Company is concerned or interested in the resolution being item no. 4 in the notice.

Item No. 5

It is proposed to delete Clause No. 10 under the head "Other Objects" in the Memorandum of Association of the Company in the manner and mode as stated in item no.5 in the Notice. The Special resolution being Item No. 5 in the notice is intended for the purpose.

Section 192A of the Companies Act, 1956, read Together with Companies Passing of the resolution by (Postal Ballot), Rules, 2001 inter-alia, provides that the Board of Directors of the company shall not, except, with the consent of the Members by resolution passed by means of Postal Ballot, instead of transacting the business in general meeting of the company, alter the Object Clause of the Memorandum of Association of the Company and accordingly the Board has considered it necessary and appropriate to seek approval of the Members by Postal Ballot.

The Board of Director recommends the special resolution for approval of the members. No Director of the Company is concerned or interested in the special resolution being item No. 5 in the notice.

Item No. 6

It is proposed to alter the Object Clause in the Memorandum of Association of the Company in the manner and mode as stated in Item No. 6 in the Notice. The special resolution being item No. 6 in the Notice is intended for the purpose.



TEESTA AGRO INDUSTRIES LIMITED

Section 192A of the Companies Act, 1956, read Together with Companies Passing of the resolution by (Postal Ballot), Rules, 2001 inter-alia, provides that the Board of Directors of the Company shall not, except, with the consent of the Members by resolution passed by means of Postal Ballot, instead of transacting the business in general meeting of the Company, alter the object Clause of the Memorandum of Association of the Company and accordingly the Board has considered it necessary and appropriate to seek approval of the Members by Postal Ballot.

The Board of Directors recommends 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.

Item No. 7

It is proposed to alter the object Clause in the Memorandum of Association of the Company in the manner and mode as stated in Item No. 7 in the Notice. The special resolution being item No. 7 in the Notice is intended for the purpose.

Section 192A of the Companies Act., 1956, read Together with Companies Passing of the resolution by (Postal Ballot), Rules, 2001 inter-alia, provides that the Board of Directors of the Company shall not, except, with the consent of the Members by resolution passed by means of Postal Ballot, instead of transacting the business in general meeting of the Company, alter the Object Clause of the Memorandum of Association of the Company and accordingly the Board has considered it necessary and appropriate to seek approval of the members by postal ballot.

The Board of Directors recommends the special resolution for approval of the Members No Director of the Company is concerned or interested in the special resolution being item No. 7 in the Notice.

Item No. 8

As per Section 149(2A) of the Companies Act, 1956, if a Company has to commence a new business, it has to obtain prior approval of the Members of the Company by way of special resolution. The Special Resolution being item no. 8 in the notice is intended for the purpose.

The Board of Directors recommends the special resolution for approval of the Members of the Company.

No Director of the Company is concerned or interested in the special resolution being item no. 8 in the notice.

Siliguri Office :
25, Burdwan Road (1st Floor)
Siliguri-734405
Date : The 31st July, 2002

By the Order of the Board
For Teesta Agro Insustries Ltd.
For 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 Sixteenth Annual Report of the Company together with Audited Statement of Accounts for the year ended 31st March, 2002 .

1. FINANCIAL RESULTS

	Current Year Rs.Lacs	Previous year Rs.Lacs
Total turnover & other receipts	3920.22	4760.56
Operating Profit before Interest, depreciation and other non cash expenses	163.18	(18.26)
Less : interest on Loan	77.42	62.27
Cash Profit / (Loss)	85.76	(80.53)
Less : Depreciation and other non cash expenses	109.59	106.25
Profit/(Loss) for the year	(23.83)	(186.78)
Provision for taxation	3.99	-
Profit / (Loss) after tax	(19.84)	(186.78)
Interest waiver as per BIFR sanctioned scheme	1576.80	-
Add : Profit / (Loss) brought forward from Previous year	(750.82)	(564.04)
Addition to loss due to deferred tax accounting	(158.25)	-
Profit / (Loss) carried forward to next year	647.89	(750.82)

2. DIVIDEND

Taking into consideration the extremely adverse financial position of the Company, your Directors do not recommend to the Members of the Company for payment of any dividend in respect of the year ended 31st March, 2002 .

3. OPERATION

During the year under review, the turnover and other receipts of your Company stood at Rs. 3920.22 Lacs as against Rs. 4760.56 Lacs in the previous year .The decline in turnover has been mainly due to sluggishness in the Indian Economy, which adversely affected the agricultural sector . Since your Company's operations are directly related to the agricultural sector, It could not insulate itself from the adverse financial performance .

Loss after taxation stood at Rs. 19.84 lacs as against Rs- 186.78 lacs in the previous year.



TEESTA AGRO INDUSTRIES LIMITED

4. FUTURE PROSPECT

Your Directors do not envisage any major upturn in the fortune of your Company, since the monsoon this year has been less than normal - This will have negative impact on the agricultural sector and consequently on your Company.

Hence your Directors are exploring avenues for diversification and they are hopeful of giving a concrete shape to the plans during the current year. Your Company will install a Captive Power Generation unit with the unused steam of the Company's acid plant to be used as an input for power generation. It is expected that the inhouse power system will generate power of 1.20 MW and an investment of Rs. 3.50 crores (approx.) is envisaged. Once the generation of inhouse power unit becomes operational, the operating / manufacturing cost will reduce drastically.

5. BTFR

Hon'ble Board for Industrial and Financial Reconstruction (BIFR) had declared the Company as a sick industrial unit on 11.08.1999. The BIFR vide Its order dated 21.01.2002 had sanctioned a Rehabilitation Scheme. The Company has given effect to the sanctioned Rehabilitation Scheme in the audited Accounts for the year ended 31st March, 2002 as follows :-

- I. Waiver of simple interest, compound interest, funded Interest, liquidated damages, penal interest outstanding as on cut - off date (i.e. 31-03.2001) by IDBI, IFCI & ICICI by way of credit to Extraordinary Items in Profit and Loss Account.
- II. Waiver of 42% of outstanding principal loan amount by IFCI by way of credit to Capital Reserve in Balance Sheet.
- III. Waiver of 50% of outstanding principal loan amount by ICICI by way of credit to Capital Reserve in Balance Sheet.
- IV. Issue of 8% Redeemable Cumulative Preference Shares to IDBI of Rs. 111.50 lacs, which are redeemable after 10 years from the date of Issue.

The Company has not given effect to the following benefits in the annexed accounts, due to pending approval of the same from the respective authorities :-

- i) The State Government of West Bengal is represented to consider waiver of sales tax up to 31.03.2001 and to consider remission of sales tax for a further period of 9 years from 01.04.2001. These relief and concessions have not yet sanctioned by the State Government.
- ii) The West Bengal State Electricity Board (WBSEB) is represented to consider waiving of electricity duty on the electricity consumption for a period of 5 years from 01.04.2001, which has not yet been sanctioned by the WBSEB.



- iii) The Central Board of Direct Taxes (CBDT) is represented to consider exempting the Company from the provisions of Section 41(1), 45, 115JA, 115JB, and 155(5) of the income Tax Act, 1961, in respect of concessions allowed by institutions and other agencies under the Sanctioned Rehabilitation Scheme. These relief and concessions have not yet been sanctioned by the CBDT .

6. DIRECTORS

Mrs. Joginder Kaur retires by rotation at the Annual General Meeting and being eligible has offered herself for reappomtment.

Mr. Paramdeep Singh was appointed additional Director of the Company with effect from 30.04.2002 and as per Section 260 of the Companies Act, 1956, he will hold office upto the conclusion of this Annual General Meeting . However, the Company has received notice in writing from a Member under Section 257 of the Company's Act, 1956 expressing his intention to propose the name of Mr. Paramdeep Singh for Directorship of the Company in the forthcoming Annual General Meeting. Mr. Paramdeep Singh has expressed his willingness to act as Director, if elected, and has filed requisite consent under Section 264(1) of the Companys Act, 1956.

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. That in the preparation of Annual Accounts, the applicable Accounting Standards had been followed and no material departure have made from the same .
- ii. That the Directors had selected such accounting policies and applied them consistently and made judgement and estimates that are resonable and prudent so as to give a true and fair view of the state of affairs of the Company for the period .
- iii. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities .
- iv. That the Directors had prepared the annual accounts on a going concern basis .

8. EMPLOYEES

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.

9. CONSERVATION OF ENERGY

The necessary details under the captioned heading have been given as per Annexure : A.