



SAPTARISHI AGRO INDUSTRIES LIMITED

WESCARE TOWERS, NO. 16, CENOTAPH ROAD, TEYNAMPET, CHENNAI-600 018.



SAPTARSHI AGRO INDUSTRIES LIMITED

BOARD OF DIRECTORS :

MR. P. SHANMUGASUNDARAM	CHAIRMAN
MR. S. SUSAI	DIRECTOR
DR. R.P. TEWARI	DIRECTOR
MR. A.K. KELAPPAN	DIRECTOR
MR. R.K. CHOPRA	DIRECTOR

AUDIT COMMITTEE :

MR. S. SUSAI	CHAIRMAN
DR. R.P. TEWARI	MEMBER
MR. R.K. CHOPRA	MEMEBR

BANKERS :

M/S BHARATH OVERSEAS BANK LTD.
NO. 25 & 26, PRINCE TOWER,
COLLEGE ROAD, NUNGAMBAKKAM,
CHENNAI - 600 034

AUDITORS :

M/S SNB & ASSOCIATES
CHARTERED ACCOUNTANTS
12, IIIrd FLOOR, GEMINI PARSN COMPLEX,
121, MOUNT ROAD,
CHENNAI - 600 006

REGISTERED OFFICE :

WESCARE TOWERS,
16, CENOTAPH ROAD,
TEYNAMPET, CHENNAI - 600 018

FACTORY :

PADALAM SUGAR FACTORY ROAD,
KOLAMBAKKAM VILLAGE,
PAZHAYANOR P.O. 603 308.
KANCHEEPURAM DISTRICT
TAMILNADU.



SAPTARISHI AGRO INDUSTRIES LIMITED

(Regd. Office: Wescare Tower, No: 16, Cenotaph Road, Teynampet, Chennai-600 018)

NOTICE

Notice is hereby given that the ELEVENTH ANNUAL GENERAL MEETING of the Members of SAPTARISHI AGRO INDUSTRIES LIMITED, will be held at 11.30 a.m. on Friday, the 26th September, 2003 at A.N. Ramasamy Nadar Marriage Hall, 147/2, T.H. Road, Tondiarpet, Chennai 600 081, to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the Year ended 31st March 2003, the Balance Sheet as on that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr P Shanmugasundaram, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Dr.R.P.Tewari, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

M/s S N B Associates, Chartered Accountant, retiring auditors of the Company have expressed unwillingness to be re-appointed as Auditors of the Company.

The Company has received letter from Messrs. Singhi & Sudhir, Chartered Accountants conveying their willingness for appointment as Statutory Auditors of the Company. The shareholders are requested to approve their appointment as Statutory Auditors of the Company and authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following Resolution with or without Modification(s) as an Ordinary Resolution:

"RESOLVED THAT Mr.Malvinder Singh, in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and if thought fit, to pass the following Resolution with or without Modification(s) as an Ordinary Resolution:

"RESOLVED THAT Mr.Gurpreet Singh, in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. To consider and if thought fit, to pass the following Resolution with or without Modification(s) as an Ordinary Resolution:

"RESOLVED THAT Mr.Arvind Kalra, in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. Consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 387 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to approval of the Central Government and/or other authorities, as may be necessary, the consent of the Company be and is hereby accorded for the appointment of Mr Narendra Govinda Angel as Manager of the Company for a period of 5 years w.e.f. 27th June, 2003 at remuneration, perquisites and benefits as given below with liberty to the Board of Directors to make and / or accept any variation in the said terms and conditions :

1. Basic Salary : 79,380/- (Rupees seventy nine thousand three hundred and eighty only) per annum.
(Rs. 6615/- per month)
2. House Rent Allowance : Rs. 1,985/- per month
3. Conveyance and other Allowances : Rs. 1,480/- per month



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4. LTA : Rs. 6000/- per annum
5. Medical Reimbursement: 75% of one month's basic salary per annum
6. Provident Fund : 12% of Basic Salary.
7. Gratuity : As per Payment of Gratuity Act

The Perquisites shall be valued as per Income tax Rules, wherever applicable, and in the absence of any such Rule, shall be valued at actual cost.

"RESOLVED FURTHER that in the event of absence or inadequacy of profits, the above mentioned remuneration, perquisites and benefits will be regarded as minimum remuneration in accordance with the provisions of Section 198(4) and other applicable provisions and rules thereto of the Companies Act, 1956 and the Board of Directors be and is hereby authorised to take such approvals as may be necessary for payment of such minimum remuneration, in case of such eventuality.

"RESOLVED FURTHER that Mr Narendra Govinda Angel shall carry out all duties subject to the supervision, control and direction of the Board of Director of the Company who shall have the power to modify and vary the terms and conditions of his appointment including his tenure of appointment."

BY ORDER OF THE BOARD

Date : 29th August, 2003

MALVINDER SINGH

Place: Chennai

DIRECTOR

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote (on a poll only) instead of himself. A proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the time for holding the meeting.
2. The Transfer Books and the Register of Members of the Company will remain closed from 19th September, 2003 to 26th September, 2003 (both days inclusive).
3. In the Meeting of Board of Directors held on 29th August, 2003 three new Additional Directors have joined the Board viz: Mr. Malvinder Singh, Mr. Gurpreet Singh and Mr. Arvind Kalra and two Directors Mr. A.K. Kelappan and Mr. R.K. Chopra have resigned from Directorship of the company.
4. Members including the nominee members are requested to notify the Company immediately of any change in their address.
5. Explanatory Statement in respect of item Nos.5 to 8 to this notice are annexed herewith and form part of the notice.
6. Members are requested to bring their copy of Annual Report and Attendance slip with them to the Annual General Meeting.
7. Appointment / Re-appointment of Directors.

At the ensuing Annual General Meeting Mr P Shanmugasundaram and Dr.R.P.Tewari, retire by rotation and are eligible for re-appointment. The following information is being provided in terms of the Code of the Corporate Governance:

a) Mr P Shanmugasundaram

Mr P Shanmugasundaram holds a Post Graduation Degree in Mechanical Engineering and has a rich and vast experience in implementation of various industrial projects.

Mr Shanmugasundaram, has been on the Board of Directors of the Company for over three and half years. In October 2001, he was appointed as the Chairman of the Board. Besides this, he is also on the Board of Directors of Southern Iron and Steel Company Limited, SKM Egg Products Export India Limited, Supreme Suguna Foods Company Limited, Great Sea Trawler Building Yard Mandapam Limited and Maruti Marine Chemicals Limited. He is



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the member of Audit Committee of Southern Iron and Steel Company Limited and SKM Egg Products Export India Limited. In addition Mr Shanmugasundaram is also member of the Indian Institute of Engineers.

His expertise lies in Promotion and implementation of Industrial Projects.

b) Dr. R.P.Tewari

Dr.R.P.Tewari is a Director and Project Coordinator of National Research Centre for Mushroom and possess rich and vast experience in mushroom cultivation, which would be beneficial for the Company.

He is also a member of Audit Committee and Remuneration Committee of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.5

The Board of Directors in their meeting held on 29th August, 2003, have Co-opted Mr.Malvinder Singh as an Additional Director.

Mr.Malvinder Singh is a Mechanical Engineer with rich experience of 12 years in mushroom cultivation and has a thorough knowledge of machineries, air-conditioning and overall management. He is also Chairman & Managing Director of Agro Dutch Industries Limited.His success has been overwhelming in running the unit during the period when other mushroom industries struggled facing severe problems.

Agro Dutch Industries Limited is the largest integrated producer of mushrooms in the world; it accounts for about 35% of the canned mushroom imports into USA, which is the largest consumer of mushrooms.

Directorship in other companies

1. M/s Calibre Rehabs Ltd.
2. M/s Saral Mushroom Projects India Ltd.
3. M/s Cannex International Ltd.
4. M/s Calibre Frozen Foods Ltd.

Member of Committees of Board:

Shareholders/Investors

M/s Agro Dutch Industries Ltd.

Grievances and Share/Debenture

Transfer Committee

As per the provisions of Section 260 of the Companies Act, 1956 he shall hold office upto the date of the forthcoming Annual General Meeting. The Company has received a notice from a member of the Company proposing his candidature for the Directorship of the Company along with a deposit of Rs.500/- as per the provisions of Section 257 of the Companies Act, 1956.

The Board considers that his appointment will immensely benefit the Company and accordingly commends the acceptance of the resolution set out in Item No.5.

None of the Directors of the Company except Mr.Malvinder Singh and Mr.Gurpreet Singh, as a brother of Mr.Malvinder Singh are considered as interested in the resolution.

ITEM NO.6

The Board of Directors in their meeting held on 29th August, 2003, have Co-opted Mr.Gurpreet Singh as an Additional Director.

Mr.Gurpreet Singh is a Civil Engineer and is Executive Director of Agro Dutch Industries Ltd. He is also a Director of Calibre Rehabs Limited. Right since inception of Mushroom cultivation and Processing project of Agro Dutch Industries Ltd, Mr.Gurpreet Singh Bhinder had been playing an active role in the project as Executive Director. His contribution in the establishment of Agro Dutch Industries Ltd and leading to its consistent growth has been significant.

Directorship in other companies

1. M/s Calibre Rehabs Ltd.
2. M/s Saral Mushroom Projects India Ltd.
3. M/s Calibre Frozen Foods Ltd.

Member of Committees of Board:

Shareholders/Investors

M/s Agro Dutch Industries Ltd.

Grievances and Share/Debenture

Transfer Committee



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As per the provisions of Section 260 of the Companies Act, 1956 he shall hold office upto the date of the forthcoming Annual General Meeting. The Company has received a notice from a member of the Company proposing his candidature for the Directorship of the Company along with a deposit of Rs.500/- as per the provisions of Section 257 of the Companies Act, 1956.

The Board considers that his appointment will immensely benefit the Company and accordingly commends the acceptance of the resolution set out in Item No.6.

None of the Directors of the Company except Mr.Gurpreet Singh and Mr.Malvinder Singh, as a Brother of Mr. Gurpreet Singh are considered as interested in the resolution.

ITEM NO.7

The Board of Directors in their meeting held on 29th August, 2003, have Co-opted Mr.Arvind Kalra as an Additional Director.

Mr.Arvind Kalra is a Chartered Accountant, has a rich and vast experience in Direct and Indirect Taxation, accounts, audit and finance. He is a Director of Agro Dutch Industries Ltd. Area of his expertise is Taxation and Finance. He is also an effective cost controller, which he proved in Agro Dutch Industries Limited. He is member of Institute of Chartered Accountants of India for last two decades.

Directorship in other companies

1. M/s Agro Dutch Industries Ltd.
2. M/s Calibre Enterprises Ltd.

Member of Committees of Board:

Audit Committee - M/s Agro Dutch Industries Ltd.

As per the provisions of Section 260 of the Companies Act, 1956 he shall hold office upto the date of the forthcoming Annual General Meeting. The Company has received a notice from a member of the Company proposing his candidature for the Directorship of the Company along with a deposit of Rs.500/- as per the provisions of Section 257 of the Companies Act, 1956.

The Board considers that his appointment will immensely benefit the Company and accordingly commends the acceptance of the resolution set out in Item No.7.

None of the Directors of the Company except Mr.Arvind Kalra himself is considered as interested in the resolution.

ITEM NO.8

In the Annual General Meeting of the Company held on 20th September 2001, the shareholders had granted their approval for the appointment of Mr P O Unnikrishnan as Manager of the Company, under Section 269 of the Companies Act, 1956, for a period of 5 years w.e.f. 30th April, 2001. Consequent upon resignation by Mr P O Unnikrishnan w.e.f 21st June, 2003, the Board of Directors of the Company have in its meeting held on 27th June, 2003 have appointed Mr Narendra Govindsa Angel as the Manager of the Company in terms of Section 269 of the Companies Act, 1956. The appointment is for period of 5 years w.e.f 27th June, 2003.

Mr Angel is a post graduate diploma holder in Bio Chemical Engineering from the Indian Institute of Technology, Delhi. He also holds a masters degree in Business Administration and has over 17 years of work experience. He joined the Company in the year 1994 and is presently working as Deputy Manager (Production). He has rich experience in the processing / growing of food products.

The details of the remuneration payable to Mr Angel are as given in the resolution.

The Board considers the resolution to be in the interest of the Company and accordingly recommends the same for approval of the shareholders.

None of the Directors is in any way interested or concerned in the resolution. The resolution pertaining to the appointment of Mr Angel, he may be regarded as interested in the resolution.

This may also be regarded as an abstract under Section 302 of the Companies Act, 1956.

BY ORDER OF THE BOARD

Date : 29th August, 2003
Place: Chennai

**MALVINDER SINGH
DIRECTOR**

Note : Mr. A.K. Kelappan and Mr. R.K. Chopra have resigned from the Board of Directors of the Company w.e.f. 29th August, 2003. Further the Board of Directors in its meeting held on 29th August 2003 have appointed Mr. Malvinder Singh, Mr. Gurpreet Singh and Mr. Arvind Kalra as Additional Directors of the Company. The Directors Report and the Corporate Governance Report both may be read in light of the above changes.

SAPTARISHI AGRO INDUSTRIES LIMITED**DIRECTORS' REPORT**

To

The Members,

Our Directors have pleasure in presenting their Eleventh Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2003.

OPERATIONS

The Company has entered into an Operating Agreement with M/s Calibre Rehabs Limited (CRL) w.e.f. January 10, 2003 for a period of 12 months. CRL is a Company promoted by Mr M S Bhinder, the Managing Director of Messrs Agro Dutch Industries Limited.

After the execution of the above agreement, steps have been taken to bring down the cost of production and the same has resulted in reduction in losses in the last quarter of the year, as compared to previous three quarters.

Our company is now embarking upon a capital expenditure programme to bring the requisite engineering & structural changes in the factory and then taking it to its full scale of operations. As a result, no fresh processing of mushrooms is being undertaken and the same would be resumed upon completion of the planned changes.

FINANCIAL RESULTS

The summary of the financial results for the year ended 31st March 2003 is presented herein below :

FINANCIAL RESULTS	1st April, 2002 to 31st March 2003 (Rs. in Lakhs)	1st April, 2001 to 31st March 2002 (Rs. in Lakhs)
Gross Turnover & other Income	393.15	386.37
Profit / (Loss) before Depreciation	(172.00)	(241.87)
Depreciation	106.07	106.50
Profit / (Loss) before Tax	(278.07)	(348.37)
Provision for Taxation	NIL	NIL
(Loss) recoverable as per Operating agreement	34.99	NIL
Profit / (Loss) for the period	(243.07)	(348.37)
Balance B/F	(2057.67)	(1709.30)
Profit / (Loss) Balance C/F	(2300.74)	(2057.67)

MANAGEMENT DISCUSSION & ANALYSIS**1. INDUSTRY STRUCTURE AND DEVELOPMENTS**

A number of 100% EOUs set by Corporates in the past few years have had difficulty in sustaining the business of mushroom. This has been due to low and highly competitive prices prevailing in the international markets and has resulted in your company incurring losses in the past years. With an objective to viably run the operations of the company, your company has entered into an Operating Agreement.

2. OPPORTUNITIES AND THREATS

Anti-dumping duty of 66% has been levied on the export of Mushrooms by the US Department of Commerce on Company's products. Steps are being taken to counter this and discussions are in progress with legal firms to represent the case for a favourable amendment. In view of the legal process involved, the final outcome in the matter is likely to take time.

The company would also now be embarking upon exploring new markets for its products.



SAPTARISHI AGRO INDUSTRIES LIMITED

3 OUTLOOK

While the company is now embarking upon a capital expenditure programme to bring the requisite engineering & structural changes in the factory, it is also now once again exploring international markets for its products to procure orders to enable the company to run at its full scale of operations.

4 RISKS & CONCERNS

Inability to aggressively market its products in the American subcontinent due to abnormally high anti-dumping duty, is a cause for concern. This is, however, being addressed through local representation and may take sometime. The company is also now actively exploring other markets including in Europe and Asia Pacific.

5 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

The company has a proper and adequate system of internal controls to ensure that the assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported properly and the area of Internal Audit is being strengthened.

6 LIKELY DEVELOPMENTS IN HR / INDUSTRIAL RELATIONS

The Directors wish to place on record its appreciation to the employees at all levels for their hard work and continued faith in the company's future.

Management support from parent company, Global Green Company Ltd was provided continuously through training and secondment of personnel to achieve overall company objectives.

The relationship with the work force at the factory was cordial.

Mr. P O Unnikrishnan, who was the Manager of the Company appointed under Section 269 of the Companies Act, 1956 for a period of five years w.e.f. 30th April, 2001, resigned from the said position on 18th June, 2003. The Board has appointed Mr. N G Angel as Manager in his place w.e.f. 27th June, 2003. Necessary resolution seeking approval of the shareholders for his appointment will be placed at the next Annual General Meeting.

AUDIT COMMITTEE

As per the requirement of Section 292A of the Companies (Amendment) Act 2000, and Clause 49 of the Listing Agreement entered with the Stock Exchanges, your Company had constituted an Audit Committee with Messrs S Susai, R K Chopra and Dr. R P Tewari and as members. Mr S Susai is the Chairman of the Audit Committee.

DIRECTORS

Mr. B Hariharan, resigned from the Directorship of the Company w.e.f 30th July, 2002. The Board places on record its appreciation for the valuable guidance and support provided by Mr B Hariharan during his association with the Company.

The Board had appointed Mr. R K Chopra as an Additional Director of the Company w.e.f. 30th July, 2002. Subsequently in the last Annual General Meeting, Mr. R K Chopra was appointed as a Director of the Company, liable to retire by rotation.

In terms of the provision of Companies Act, 1956, Messrs P. Shanmugasundaram and A K Kelappan retire by rotation and are eligible for re-appointment. As required by Clause 49 of the Listing Agreement, a brief resume of Messrs P. Shanmugasundaram and A K Kelappan is included in the notice of the forthcoming Annual General Meeting.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility statement, it is hereby confirmed:



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- 1) that in the preparation of annual accounts for the year ended 31st March, 2003, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 2) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the states of affairs of the Company for the year ended 31st March, 2003 and of the loss of the Company for that 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 safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities ; and
- 4) that the Directors have prepared the annual accounts for the year ended 31st March, 2003 on a going concern basis.

AUDITORS

Messrs. SNB Associates, Statutory Auditors of the Company have expressed their unwillingness to continue as auditors of the Company from the conclusion of the forth coming Annual General Meeting of the Company.

The Board wishes to place on record valuable services provided by Messrs. SNB Associates during their tenure as Statutory Auditors of the Company.

The Company has received letter from Messrs. Singhi & Sudhir, Chartered Accountants conveying their willingness for appointment as Statutory Auditors of the Company from the forth coming Annual General Meeting of the Company. Accordingly, proposal for appointment of Messrs Singhi & Sudhir, Chartered Accountants as Statutory Auditors of the Company shall be placed at the AGM for the approval of the shareholders.

COMPLIANCE CERTIFICATE

A certificate from the Auditors of the Company, regarding the compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached and forms a part of this report.

INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956

There was no employee in the Company, who if employed throughout the year, was in receipt of remuneration of Rs. 24,00,000/- (Rupees Twenty four Lacs) per annum and above and if employed for a part of the year, was in receipt of remuneration of Rs. 2,00,000/- (Rupees two Lacs) per month and above. The particulars, as required by Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, have accordingly not been furnished.

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, EXPORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The information relating to Conservation of energy, technology absorption and foreign exchange earnings and outgo as required 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, is annexed and forms a part of this report.

DEPOSITS

As the Company has not accepted any public deposits, the provisions of Section 58A of the Companies Act 1956, is not attracted.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude for the valuable assistance and co-operation extended to



the Company by the Government of Tamilnadu, Tamilnadu Industrial Development Corporation Limited and Banks and the Customers. The Board also wishes to place on record its appreciation for the untiring and sustained efforts put forward by all the employees at all levels.

The Board also expresses its gratitude for the confidence you have bestowed on us, and we look forward to continued support in future as well.

Place : Chennai
Date : 30th July, 2003

For and on behalf of Board of Directors

(Sd)
P. Shanmugasundaram
Directors

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION EXPORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

A CONSERVATION OF ENERGY

- a. The Company's commitment towards energy conservation continued on high priority basis. Energy conservation measures included optimum utilization of energy intensive machines, all of which have resulted in cost savings
- b. Additional investment and proposals if any, being implemented for reducing consumption of energy. Additional investments will be known only after finalization of various proposals / studies
- c. Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. With the implementation of the energy conservation measures, the Company anticipates considerable savings in power and fuel cost
- d. Total Energy consumption per unit of production.
Details furnished in Annexed herewith - Form A

B TECHNOLOGY ABSORPTION

Efforts made in technology absorption.

Details furnished in Annexed herewith Form - B

C FOREIGN EXCHANGE EARNINGS AND OUT GO

- a. Activities relating to exports
The Company is a 100% export oriented unit with a strong commitment towards promoting exports
- b. The Company has undertaken intensive marketing efforts to export the Mushroom to Europe and USA
- c. Development of new export market for products and services.
The Company is looking into possibility of introducing new value added products and exports of fresh mushrooms for better realization.
Apart from using A-10 cans the Company is planning to pack mushrooms in bottles also.