

## 12th ANNUAL REPORT



**SAPTARISHI AGRO INDUSTRIES LIMITED**

Regd. Off: Park View, No.4, II Floor, New No.94, G.N. Chetty Road, T. Nagar, Chennai 600017.

<b>BOARD OF DIRECTORS :</b>	<b>Mr. MALVINDER SINGH</b>	<b>CHAIRMAN</b>
	<b>Mr. P. SHANMUGASUNDARAM</b>	<b>DIRECTOR</b>
	<b>Dr. R.P. TEWARI</b>	<b>DIRECTOR</b>
	<b>Mr. ARVIND KALRA</b>	<b>DIRECTOR</b>
	<b>Mr. GURPREET SINGH</b>	<b>DIRECTOR</b>

<b>AUDIT COMMITTEE :</b>	<b>Mr. P. SHANMUGASUNDARAM</b>	<b>CHAIRMAN</b>
	<b>Dr. R.P. TEWARI</b>	<b>DIRECTOR</b>
	<b>Mr. ARVIND KALRA</b>	<b>DIRECTOR</b>

**BANKERS :**

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

**Report Junction.com**

**AUDITORS :**

**M/s. SINGHI & SUDHIR**  
CHARTERED ACCOUNTANTS  
TURNBULLS ROAD, 1ST CROSS STREET,  
CHENNAI - 600 035.

**REGISTERED OFFICE :**

**PARK VIEW, No.4, 2ND FLOOR,**  
**NEW No.94, G.N. CHETTY ROAD,**  
**T. NAGAR, CHENNAI - 600 017.**

**FACTORY :**

**PADALAM SUGAR FACTORY ROAD,**  
**KOLAMBAKKAM VILLAGE,**  
**PAZHAYANOOR P.O. 603 309.**  
**KANCHEEPURAM DISTRICT.**  
**TAMIL NADU.**

**SAPTARISHI AGRO INDUSTRIES LIMITED**

(Regd. Office: Park View, 4, II Floor, 94 G.N. Chetty Road, T. Nagar, Chennai - 600 017).

**NOTICE**

Notice is hereby given that the TWELVETH ANNUAL GENERAL MEETING of the Members of SAPTARISHI AGRO INDUSTRIES LIMITED, will be held at 11.30 a.m. on Wednesday, the 29<sup>th</sup> September, 2004 at Sir. Pitty. Theyagarayar Auditorium, G.N. Chetty Road, T. Nagar, Chennai 600017, to transact the following:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Profit & Loss Account for the Year ended 31st March 2004, the Balance Sheet as on that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Gurpreet Singh, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Arvind Kalra, who retires by rotation and is eligible for re-appointment.
4. To consider and if thought fit to pass with or without modifications the following resolution, as an ordinary resolution.

**"RESOLVED THAT** M/s.Singhi & Sudhir, Chartered Accountants, be and are hereby reappointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting untill conclusion of next Annual General Meeting at a remuneration to be fixed by the Board of Directors and / or any committee thereof."

**SPECIAL BUSINESS**

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

**"RESOLVED THAT,** subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter), clause 4.1(c) and other applicable clauses of the SEBI (Delisting of securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as Board, which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution) consent is hereby accorded to the Board to delist the Company's equity shares from The Stock Exchange, Ahmedabad at Ahmedabad, The Delhi Stock Exchange Association Limited, at Delhi and Madras Stock Exchange Limited, at Chennai."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and are hereby authorised to do all acts, deeds, matters and things at it may in its absolute descretion deem fit and necessary including settling of all questions, difficulties or doubts in this regard."

**"RESOLVED FURTHER THAT** Acts and deeds already done in this regard be and are hereby confirmed, approved and ratified."

**BY ORDER OF THE BOARD**

Place : Chennai  
Date : 29<sup>th</sup> July, 2004

**Malvinder Singh**  
Chairman.

**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 22<sup>nd</sup> September, 2004 to 29<sup>th</sup> September, 2004 (both days inclusive).
3. Members including the nominee members are requested to notify the Company immediately of any change in their address.

## SAPTARISHI AGRO INDUSTRIES LIMITED

4. Explanatory Statement in respect of item Nos.5 to this notice is annexed herewith and form part of the notice.
5. Postal Ballot form is placed as a part of annual report for the convenience of the shareholders to execute their poll in respect of item no. 5 regarding delisting of equity shares of the Company from the said Stock exchanges.
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. Gurpreet Singh and Mr.Arvind Kalra, 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.Gurpreet Singh**

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 Canex International Ltd.

**Member of Committees of Board:**

Shareholders/Investors

M/s. Agro Dutch Industries Ltd.

Grievances and Share/ Debenture Transfer Committee

b) **Mr. Arvind Kalra**

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

**Directorship in other public limited companies**

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

**Member of Committees of Board:**

Audit Committee

- M/s Agro Dutch Industries Ltd.  
M/s Saptarishi Agro Industries Ltd

Shareholders Grievance Committee

- M/s.Saptarishi Agro Industries Ltd

Remuneration Committee

- M/s.Saptarishi Agro Industries Ltd

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

**ITEM NO.5**

Presently the Company's Equity Shares are listed on the following 4 Stock Exchanges in India.

- i) The Stock Exchange, Mumbai (BSE)
- ii) The Stock Exchange, Ahmedabad (ASE)
- iii) The Delhi Stock Exchange Association Limited (DSE) and
- iv) Madras Stock Exchange, (MSE).

With the wide and extensive networking of centres of the BSE, the Investors have access to online dealings in the Company's equity shares across the country.

The trading volumes of the Company's equity shares on the Stock Exchanges at Ahmedabad, at Delhi, at Madras (hereinafter referred to as the said delisting stock exchanges) during the year 2003-2004 are nil. In sharp contrast,

the annual listing fees paid to the said delisting stock exchanges constituted about 70% of the total listing fees paid to all the four stock exchanges. The annual recurring listing fees paid to the stock exchanges do not offer commensurate benefit to the company / its investors in the changed scenario of the nationwide trading terminals set up by BSE. The continued listing on the said stock exchanges is therefore, not considered necessary. It would further contribute to reduction in administrative costs / efforts of the Company. The Board of Directors at its meeting held on 29.6.2004, has decided to apply voluntary delisting of company's equity shares from the said delisting stock exchanges.

For this purpose, the requisite Special Resolution is being proposed for consideration of the Members and it is proposed to seek members' consent by way of Postal Ballot under the requirement of Madras Stock Exchange Limited and subject to 192A of the Companies Act, 1956.

The proposed voluntary delisting of company's equity shares from the said delisting stock exchanges will not adversely affect any investor including the Members located in the region where the said stock exchanges are situated. Pursuant to the SEBI (Delisting of Securities) guidelines, 2003, it is now proposed to seek the members' approval by way of a Special Resolution for voluntary delisting of the Company's Equity shares from the said three delisting stock exchanges as set out in the resolution in item no.5. In terms of the said guidelines. As the Company's equity shares shall continue to remain listed on BSE, No Exit option is required to be offered to the shareholders.

The proposed delisting is in the interest of the Company and the Board recommends the resolution for the acceptance by the Members.

None of the Directors of the Company is concerned or interested in the Resolution at Item No.5.

Place : Chennai.

Date : 29th July, 2004

BY ORDER OF THE BOARD

**Malvinder Singh**  
Chairman

Report Junction.com

## DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their Twelveth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2004.

### OPERATIONS

The Company had 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.

Pursuant to the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and other applicable laws and regulations and in terms of agreement with Global Green Company Limited (GGCL), CRL acquired 2,53,68,777 shares of the Company constituting 74.57% of the total paid up capital. In this effect, the said operating agreement was terminated on 27.11.2003.

During the period, the Company had suspended its production and carried out the requisite engineering and structural changes with a view to up-grade the manufacturing facilities and to enhance the capacity utilization by eliminating bottlenecks in production process. The Technical staff is being given training to understand new production techniques, systems and operations.

Your directors are confident that changed system will enhance the production vis-à-vis lower cast operation.

### FINANCIAL RESULTS

The summary of the financial results for the year ended 31<sup>st</sup> March 2004 is presented herein below;

FINANCIAL RESULTS	1st April 2003 to 31st March 2004 (Rs. in Lakhs)	1st April 2002 to 31st March 2003 (Rs. in Lakhs)
Gross Turnover & other Income	45.32	393.15
Profit / (Loss) before Depreciation	(50.57)	(172.00)
Depreciation	105.54	106.07
Profit / (Loss) before Tax	(156.11)	(278.07)
Provision for Taxation	NIL	NIL
Amount recoverable as per Operating agreement	92.24	34.99
Net Profit / (Loss) for the period	(63.87)	(243.07)
Less: Prior period adjustments	(25.28)	NIL
Add: Extraordinary items	141.29	NIL
Profit / (Loss) after prior period adjustments	52.14	(243.07)
Balance B/F	(2300.74)	(2057.67)
Profit / (Loss) Balance C/F	(2248.60)	(2300.74)

### 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 made plans to take necessary steps in future to tackle the market demand.

#### 2. OPPORTUNITIES AND THREATS

The Company has been able to give training to majority of technical staff to adopt new production process and techniques. 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.

## **SAPTARISHI AGRO INDUSTRIES LIMITED**

### **3. OUTLOOK**

The company has recently started carrying out engineering & structural changes in the factory to enhance capacity utilization and to enable the company to run at its full scale of operations.

### **4. RISKS & CONCERNS**

Due to monsoon failure and severe drought condition largely affected paddy harvesting in and around the villages of the factory, which lead to shortage on availability of paddy straw, one of the basic raw materials for producing fresh mushrooms. Hope, it would be resolved in near future.

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 now exploring other markets.

### **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. The Internal control system is commensurate with size of the company and nature of its business.

### **6. LIKELY DEVELOPMENTS IN HR / INDUSTRIAL RELATIONS**

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

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, Calibre Rehabs Ltd was provided continuously through training and secondment of personnel to achieve overall company objectives.

### **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 P. Shanmugasundaram, Dr. R P Tewari and Mr. Arvind Kalra as members. Mr. Shanmugasundaram is the Chairman of the Audit Committee.

### **DIRECTORS**

Mr. A. K. Kelappan and Mr. R.K. Chopra resigned from the Directorship of the Company w.e.f 29<sup>th</sup> August, 2003. The nomination of Mr. S. Susai as the member of the Board has been withdrawn by TIDCO on 2.9.2003. The Board wishes to place on record their appreciation for the contribution made by Messrs. A.K. Kelappan, R.K. Chopra and S. Susai during their tenure as the Directors of the Company.

The Board had appointed Messrs. Mr. Malvinder Singh, Gurpreet Singh and Arvind Kalra as Additional Directors of the Company w.e.f. 29<sup>th</sup> August, 2003. Subsequently in the last Annual General Meeting, they were appointed as Directors of the Company, liable to retire by rotation.

In terms of the provision of Companies Act, 1956, Messrs Gurpreet Singh and Arvind Kalra retire by rotation and are eligible for re-appointment. As required by Clause 49 of the Listing Agreement, a brief resume of Messrs Gurpreet Singh and Arvind Kalra 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:

- 1) that in the preparation of annual accounts for the year ended 31<sup>st</sup> March, 2004, 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 31<sup>st</sup> March, 2004 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 31<sup>st</sup> March, 2004 on a going concern basis.



## SAPTARISHI AGRO INDUSTRIES LIMITED

### AUDITORS

Messrs. Singhi & Sudhir, Chartered Accountants, Auditors of the Company, retire at the ensuing Annual General Meeting, Necessary notice confirming their eligibility for re-appointment as the Auditors of the Company has been received from them. The Directors recommend their re-appointment as the Auditors. A proposal for their re-appointment shall accordingly be placed at the Annual General Meeting.

### 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.

### DELISTING OF SECURITIES

The Equity shares of your company are presently listed on the Stock Exchanges at Madras, Ahmedabad, New Delhi and Mumbai. Specific attention of members is drawn to item no.5 of the Notice of the Annual General Meeting and the explanatory statement attached thereto, whereby the Company proposes to delist its equity shares from all the stock exchanges excluding the Stock Exchange, Mumbai (BSE). With the wide and extensive networking of centres of the BSE, the investors have access to online dealings in the Company's shares across the country. The trading volumes of the company's equity shares on the Stock Exchange at Ahmedabad, New Delhi, and Madras (herein after referred to as the said stock exchanges) are Nil since the past couple of years and even in Stock Exchange, Mumbai, the shares are thinly traded.

The annual listing fees paid to the said stock exchanges do not now offer commensurate benefit to the company / its investors and the continued listing on the said stock exchanges is not considered necessary. The Board of Directors at the meeting held on 29.06.2004 has, therefore, decided to apply for the voluntary delisting under the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 of the company's equity shares from all the Stock Exchanges, excluding the Stock Exchange, Mumbai. Considering that the equity shares will continue to be listed in the Stock Exchange, Mumbai, no exit option is required to be offered to the shareholders. The delisting would further contribute to the cost reduction initiated taken across various functional areas of the Company. The delisting of the Company's equity shares from the said stock exchanges will not adversely affect any investors including the members located in the regions where the said stock exchanges are situated.

As per requirements of the Madras Stock Exchange Limited, the Company shall follow the procedure of postal ballot and the ballot form is placed as a part of the Annual Report for the convenience of the shareholders to execute their poll in respect of item no.5 of the Notice to the members regarding delisting of equity shares of the Company from the said stock exchanges.

### 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, Tamil Nadu Electricity Board 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 a continued support in future as well.

For and on behalf of Board of Directors

Place : Chennai  
Date : 29<sup>th</sup> June, 2004

Malvinder Singh  
Chairman



## 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.

## D. EXPORT PLANS

The Company plans to explore new markets both in canned, bottled and fresh mushroom segments.

## E. TOTAL FOREIGN EXCHANGE USED AND EARNED

PARTICULARS	FOR THE YEAR (1ST APRIL 2003 TO 31ST MARCH 2004)	FOR THE YEAR (1ST APRIL 2002 TO 31ST MARCH 2003)
	RS.	RS.
FOREIGN EXCHANGE EARNINGS	Nil	88,01,014
FOREIGN EXCHANGE OUTFLOW	Nil	Nil

## F. Addendum to Directors' Report

## 1. Explanations to Point (ix) (a) in annexure to Auditors' Report

The Company was not able to make payment of Provident Fund regularly due to non availability of funds and now company is making efforts to regularise the same during the current financial year. Provident Fund dues outstanding are for 3 months of Jan., Feb., March 2004.

## 2. Explanations to Point (ix) (b) in annexure to Auditors' Report

The Company has made representation to the Superintendent of Central Excise for waiver of this duty amount since as per legal advisors opinion the amount may not be payable.

**SAPTARISHI AGRO INDUSTRIES LIMITED**

**FORM A**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

PARTICULARS		For the Year (1st April 2003 to 31st March 2004) Rs.	For the Year (1st April 2002 to 31st March 2003) Rs.
<b>A. POWER &amp; FUEL CONSUMPTION</b>			
<b>a. PURCHASED</b>			
Electricity	Unit	Nil	Nil
Total Amount	Rs.	Nil	Nil
Rate / Unit	Rs.	N/A	N/A
<b>b. CAPTIVE POWER GENERATION</b>			
Electricity	Unit	68156	29,00,069
Total Amount	Rs.	6,43,215	1,25,97,693
Rate / Unit	Rs.	9.44	4.34
<b>c. FURNACE OIL</b>			
Quantity	KL	Nil	151
Total Amount	Rs.	Nil	15,60,890
Avg. Rate KL	Rs.	Nil	10,374
<b>B. CONSUMPTION PER Kg OF PRODUCTION</b>			
<b>MUSHROOMS</b>			
Electricity	Units	N.A	6.07
Furnace Oil	Ltrs	N.A	0.30
<b>GHERKINS</b>			
Furnace Oil	Ltrs	N.A	0.10

**FORM-B**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION. RESEARCH AND DEVELOPMENT (R&D)**

- Specific areas in which R&D was carried out by the Company

R&D activity during the year under review was largely restricted to improving the composting by combined indoor composting technique.

- BENEFITS DERIVED AS A RESULT OF ABOVE R&D**

The Company's products are widely accepted and this will result in larger volumes of sales

- FUTURE PLAN OF ACTION.**

To continue R&D to retain the competitive edge

- EXPENDITURE ON R&D**

No expense has been incurred on R&D, technology absorption and innovation.

- Efforts in brief towards technology absorption, adaptation and innovation.

The technology imported has been fully absorbed and adapted.

- Benefits derived as a result of the above efforts,

Plant operations are being carried out without any assistance from collaborators.