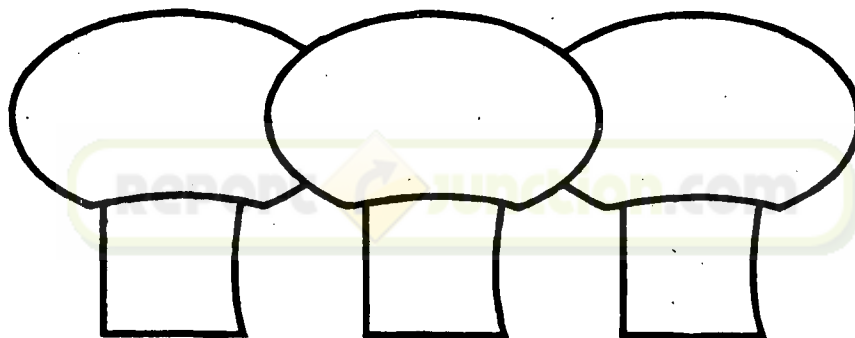


**16th Annual Report
2007 - 2008**



SAPTARISHI AGRO INDUSTRIES LIMITED

(Regd. Office : Padalam Sugar Factory Road, Pazhayanoor Post, Kancheepuram District, Tamil Nadu - 603 308)

Boards of Directors :

Mr. Malvinder Singh	Chairman
Mr. Dilsher Singh	Managing Director
B. Ramakrishnan	Director
Dr. R.P. Tewari	Director
Mr. Arvind Kalra	Director
Mr. Gurpreet Singh	Director

Audit Committee :

B. Ramakrishnan	Chairman
Dr. R.P. Tewari	Member
Mr. Arvind Kalra	Member

Bankers :

M/s. State Bank of Indore
Balaji Nagar Branch
233, Royapettah High Road,
Royapettah,
Chennai - 600 015

Auditors :

M/s. Singhi & Sudhir
Chartered Accountants
12, Srinivasa Apartments,
Turnbulls Road, 1st Cross Street,
Chennai - 600 035.

Registered Office :

Padalam Sugar Factory Road,
Kolambakkam Village,
Pazhayanoor (P.O.) - 603 308
Kancheepuram District
Tamil Nadu

Factory :

Padalam Sugar Factory Road,
Kolambakkam Village,
Pazhayanoor (P.O.) - 603 308
Kancheepuram District
Tamil Nadu



SAPTARISHI AGRO INDUSTRIES LIMITED

SAPTARISHI AGRO INDUSTRIES LIMITED
(Regd. Office: Padalam Sugar Factory Road,
Pazhayanoor Post, Kancheepuram District,
Tamil Nadu - 603 308).

NOTICE

Notice is hereby given that the SIXTEENTH ANNUAL GENERAL MEETING of the Members of SAPTARISHI AGRO INDUSTRIES LIMITED, will be held on Saturday, the 27th day of September, 2008 at 10.00 a. m at the Registered office of the Company at Padalam Sugar Factory Road, Pazhayanoor Post, Kancheepuram District, Tamil Nadu - 603 308, to transact the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the Year ended 31st March 2008, the Balance Sheet as on that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Malvinder Singh, who retires by rotation and is eligible for re-appointment, offers himself 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, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

M/s. Singhi & Sudhir, Chartered Accountants, Auditors of the Company, hold office till the conclusion of the Annual General Meeting and are eligible for re-appointment.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass the following resolution with or without modification as a Special Resolution. RESOLVED THAT Pursuant to section 163 of the Companies Act, 1956, the Company hereby approves that the Register of Members, the Index of Members, the register and copies of all Annual returns prepared under section 159 of the Act together with the copies of the Certificate and documents required to be annexed thereto under section 161 of the act or any one more of them will be kept, at a place other than the Registered Office of the Company as may be decided by the Board of Directors from time to time.

Place: Pazhayanoor
Date : 24-06-2008

BY ORDER OF THE BOARD
for SAPTARISHI AGRO INDUSTRIES LIMITED

Sd/-
DILSHER SINGH
MANAGING DIRECTOR



SAPTARISHI AGRO INDUSTRIES LIMITED

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 deposited at the registered office of the company not less than 48 hours before the time for holding the meeting.
2. The Share transfer Books and the Register of Members of the Company will remain closed from Saturday, the 20th September 2008 to Saturday, the 27th September 2008 (both days inclusive).
3. Members including the nominee members are requested to notify the Company immediately of any change in their address.
4. Members are requested to bring their copy of Annual Report and Attendance slip with them to the Annual General Meeting.
5. Appointment / Re-appointment of Directors.

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

a) Mr. Malvinder Singh:

Mr. Malvinder Singh is a Mechanical Engineer with a rich experience of Sixteen years in Mushroom Cultivation. He is the Chairman & Managing Director of Agro Dutch Industries Ltd. He is also a Director of M/s. Calibre Rehabs Limited, M/s. Saral Mushroom Projects India Limited, and M/s. Cannex International Limited. His Contribution in the establishment of Agro Dutch Industries Ltd and leading to its consistent growth has been significant. The resolution of item No. 2 is recommended for approval of members. Mr. Malvinder Singh is concerned or interested in the resolution at item no. 2 accompanying notice in relation to his appointment. Mr. Dilsher Singh s/o Mr. Malvinder Singh is also concerned or interested in the above resolution.

Chairmanship / Member of Committees of Board :

Shareholders Grievance Committee (Chairman) M/s.Saptarishi Agro Industries Ltd.



SAPTARISHI AGRO INDUSTRIES LIMITED

b) Dr. R. P. Tewari :

Dr. R. P. Tewari is a Director and Project Coordinator of National Research Centre for Mushroom and possesses rich and vast experience in mushroom cultivation, which would be beneficial for the Company. The resolution of item No. 3 is recommended for approval of members. Dr. R.P. Tewari is concerned or interested in the resolution at item no. 3 accompanying notice in relation to his appointment.

Member of Committees of Board:

Audit Committee : M/s.Saptarishi Agro Industries Limited

Remuneration Committee : M/s.Saptarishi Agro Industries Limited

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

ITEM NO. 5

The Company is negotiating with the Depository Participants to bring its shares under the Demat Mode. Consent of the members of the Company is required to keep the Register of Members, the index of member, the register and copies of all Annual Returns prepared under section 159 of the Act together with the copies of the Certificate and documents required to be annexed thereto under section 161 of the act or any one more of them, at a place other than the Registered Office of the Company by way of Special Resolution. Hence the above special resolution is proposed for the approval of the members in the forthcoming Annual General Meeting.

None of the Directors are considered as interested in the above resolution

Place: Pazhayanoor

Date : 24/06/2008

BY ORDER OF THE BOARD
for SAPTARISHI AGRO INDUSTRIES LIMITED

Sd/-
DILSHER SINGH
MANAGING DIRECTOR



SAPTARISHI AGRO INDUSTRIES LIMITED

DIRECTORS REPORT

To
THE MEMBERS,

Your Directors have pleasure in presenting their Sixteenth Annual Report on the business and operations of the Company together with the audited Statement of Accounts for the year ended 31st March 2008.

Operations

Your company has produced 1421.421 metric tons of fresh mushrooms and sold 1397.501 metric tons out of the same, there by recorded a turnover of Rs 776.81 lakhs. The summary of financial report for the year ending 31st March'08 is presented here in below,

FINANCIAL RESULTS

Particulars	Amount As on 31.03.08 (in Rs. Lakhs)	Amount As on 31.03.07 (in Rs. Lakhs)
Gross Turnover & Other Income	800.31	804.40
Profit/(Loss)Before Depreciation	164.74	217.73
Depreciation	109.96	112.61
Profit/(Loss) Before Tax	54.78	105.12
Provision for Fringe Benefit Tax	0.47	1.13
Net Profit/(Loss) for the Period	54.31	103.99
Less : Prior Period Adjustments	-	0.48
Add : Extra Ordinary Items	182.21	-
Profit / (loss) after Prior Period		
Adujustments and Extra ordinary Items	236.52	103.51
Balance B/F	(2,173.68)	(2,277.20)
Profit / (Loss) Balance C/F	(1,937.16)	(2,173.68)

AUDIT COMMITTEE:

As per the requirement of Section 292 A of the Companies (Amendment) Act, 2000 and Clause 49 of the Listing Agreement entered with the Stock Exchanges, your Company has constituted an Audit Committee with Mr. B. Ramakrishnan, as Chairman and Mr. Arvind Kalra and Dr .R .P. Tewari as members.

DIRECTORS:

In terms of the provisions of the Companies Act, 1956, Mr. Malvinder Singh and Dr. R. P. Tewari retire by rotation and are eligible for re-appointment. As required by Clause 49 of the Listing Agreement, a brief resume of Mr. Malvinder Singh and Mr. R. P. Tewari is included in the notice of the forthcoming Annual General Meeting.

DIVIDEND:

Management is of the opinion that huge accumulated losses even though diminishing, it may take few more year to wipe the loss completely. Your Directors are not in a position to recommend any dividend this year.



SAPTARISHI AGRO INDUSTRIES LIMITED

DEPOSITS:

During the year, your Company has neither invited nor accepted deposits from the public.

AUDITORS:

M/s. SINGHI & SUDHIR, Chartered Accountants, Chennai, Auditors of the Company retire and are eligible for re-appointment.

The Shareholders are requested to appoint auditors for the current year and fix their remuneration.

CORPORATE GOVERNANCE:

A separate report on corporate governance alongwith Auditor's certificate on its compliance is attached as Annexure to this report.

LISTING ON STOCK EXCHANGES :

Company Shares are listed at BSE, The Stock exchanges of Mumbai.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your directors state;

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that the directors had 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 state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- that the directors had prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES:

No employee is in receipt of remuneration in excess of limits prescribed under 217(2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, EXPORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo 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.

ACKNOWLEDGMENT:

Your Directors place on record their appreciation for the continued co-operation extended by its Bankers, Shareholders and employees of the Company.

BY ORDER OF THE BOARD
for SAPTARISHI AGRO INDUSTRIES LIMITED

Place: Pazhayanoor
Date : 24/06/2008

Sd/-
DILSHER SINGH
MANGING DIRECTOR

Sd/-
B. RAMAKRISHNAN
DIRECTOR



SAPTARISHI AGRO INDUSTRIES LIMITED

ANNEXURE TO THE DIRECTORS REPORT

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

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 saving.
- b) With the implementation of energy conservation measures, the Company anticipates considerable savings in power and fuel cost. Vis-à-vis per kg. of Mushroom harvested.
- c) Total Energy Consumption per unit of production :

Details furnished in Annexure herewith – Form A

B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption
Details furnished herewith – Form B

C. FOREIGN EXCHANGE EARNINGS AND OUT GO:

- a) Activities relating to exports.
The Company is concentrating on Domestic market and yield improvement to make its produce competitive. Export is possible only when dollar gets strong. Reduced quantities from China, should make exports feasible in current year.
- b) Development of export market for products and services.
Company is looking into possibility of introducing improved fresh mushroom packaging to retain freshness longer. Marketing and speedy deliveries in Metro of Chennai is an important aspect where potential is identified to boost the demand. Exporting fresh mushrooms through cold chain and Air cargo is a small segment however company is interested in as alternate arrangement so long as realisation is positive.



SAPTARISHI AGRO INDUSTRIES LIMITED

D. EXPORT PLANS:

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

E. TOTAL FOREIGN EXCHANGE USED AND EARNED:

Nil

ADDENDUM TO DIRECTORS REPORT

EXPLANATION TO POINT NO. (X) of Annexure to the auditor's report : Company is on right path of revival and has started making cash profits. Management is confident that company shall wipeout its accumulated losses over a period of time.

FORM - A

FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

PARTICULARS		For The Year Ended 31.03.2008 Rs.	For The Year Ended 31.03.2007 Rs.
A. POWER & FUEL CONSUMPTION			
a. Purchased			
Electricity	Unit	4,175,385	3,697,470
Total Amount	Rs	19,068,352	16,550,334
Rate/Unit	Rs	4.57	4.48
b. Captive Power Generation			
Electricity	unit	40,904	53,027
Total Amount	Rs	443,744	551,879
Rate/Unit	Rs	10.86	10.40
c. Furnace Oil			
Quantity	KL	NIL	NIL
Total Amount	Rs	Nil	Nil
Avg. Rate KL	Rs	Nil	Nil
B. CONSUMPTION PER KG OF PRODUCTION			
Mushrooms			
Electricity	Unit	2.97	2.30
Furnace Oil	Ltrs	N A	N A



SAPTARISHI AGRO INDUSTRIES LIMITED

FORM B

DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION, RESEARCH AND DEVELOPMENT (R & D)

- 1) Specific areas in which R & D was carried out by the Company
R & D activity during the year under review has continued for further improving the quality of compost.
Balancing of Chilled water quantities and air quantities in growing rooms to improve crop yields
- 2) BENEFITS DERIVED AS A RESULT OF ABOVE R & D:
. Consistency in production is achieved to meet regular market demand.
- 3) FUTURE PLAN OF ACTION:
To continue R & D to retain the competitive edge
- 4) EXPENDITURE ON R & D:
Negligible Expenses incurred on R & D, Technology absorption and innovation have started paying dividends
 1. Efforts in brief toward technology absorption, adaptation and innovation.
The technology imported has been fully absorbed and adapted.
 2. Benefits derived as a result of the above efforts
Plant operations are being carried out without any assistance from collaborators
 3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year)
following information may be furnished:

a. Technology imported	: NA
b. Year of import	: NA
c. Has technology been fully absorbed	: NA
d. If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	: NA

BY ORDER OF THE BOARD
for SAPTARISHI AGRO INDUSTRIES LIMITED

Place: Pazhayanoor
Date : 24 /06/2008

Sd/-
DILSHER SINGH
MANAGING DIRECTOR

Sd/-
B. RAMAKRISHNAN
DIRECTOR