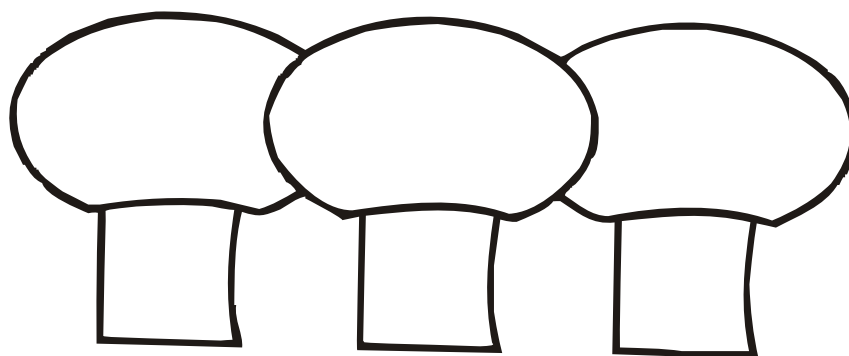


**18th Annual Report
2009-2010**



SAPTARISHI AGRO INDUSTRIES LIMITED

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



SAPTARISHI AGRO INDUSTRIES LIMITED

Boards of Directors :	Mr. Malvinder Singh Mr. Dilsher Singh Mr. B. Ramakrishnan Dr. R.P. Tewari Mr. Arvind Kalra Mr. Gurpreet Singh	Chairman Managing Director Director Director Director Director
Audit Committee :	Mr. B. Ramakrishnan Dr. R.P. Tewari Mr. Arvind Kalra	Chairman Member Member
Bankers :	M/s. State Bank of Indore Balaji Nagar Branch No.233, Royapettah High Road, Royapettah, Chennai - 600 014.	
Auditors :	M/s. Singhi & Sudhir Chartered Accountants No.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, Tamilnadu.	
Factory :	Padalam Sugar Factory Road, Kolambakkam Village, Pazhayanoor (P.O.) - 603 308. Kancheepuram District, Tamilnadu.	



SAPTARISHI AGRO INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING of the Members of SAPTARISHI AGRO INDUSTRIES LIMITED, will be held on Thursday, the 30TH day of September, 2010 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 2010, the Balance Sheet as on that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Dilsher Singh, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. B. Ramakrishanan, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

M/s.Singhi & Sudhir, Chartered Accountants, retiring auditors of the company have expressed inability to be re-appointed as Auditors of the Company, they hold office till the conclusion of the Annual General Meeting .

The Company has received letter from M/s K. Mahaveer & Co., Chartered Accountants conveying their willingness for appointment as statutory auditors of the company. The share holders of the company 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 with out 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 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. 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 or more of them will be kept, at a place other than the registered office of the company as may be decided from time to time.

BY ORDER OF THE BOARD

for SAPTARISHI AGRO INDUSTRIES LIMITED

Place: Chennai
Date : 02.09.2010

**GURPREET SINGH
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 received by 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 Thursday, the 23rd September 2010 to Thursday, the 30th September 2010 (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. At the ensuing Annual General Meeting Mr. Dilsher Singh and Mr. B. Ramakrishnan, 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. Dilsher Singh

Mr. Dilsher Singh Bhinder is an Executive Director of M/s Agro Dutch industries Limited and has a rich experience in Compost, Growing, Canning, Marketing and Export of Mushrooms. 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 Agro Dutch industries Limited.
2. Vishwa Calibre Builders Ltd.

Member of Committees of Board: NIL

b) Mr. B. Ramakrishnan

Mr. B. Ramakrishnan is an Engineering Graduate and General Manager in Tamil Nadu Industrial Development Corporation Limited. He has been appointed as a Nominee Director of Tamil Nadu Industrial Development Corporation Limited.

Directorship in other public limited companies.

1. M/s SKM Egg Products Export (India) Limited
2. M/s Tantech Agro Chemicals Limited
3. M/s Nilgiris Flower Company Ltd.
4. Intgen Agro Products Ltd.
5. Tamilnadu Telecommunications Ltd.

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.6

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

**BY ORDER OF THE BOARD
for SAPTARISHI AGRO INDUSTRIES LIMITED**

Place: Chennai
Date : 02.09.2010

sd/-
DILSHER SINGH BHINDER
MANAGING DIRECTOR



SAPTARISHI AGRO INDUSTRIES LIMITED

DIRECTORS REPORT

To
THE MEMBERS,

Your Directors have pleasure in presenting their Eighteenth Annual Report on the business and operations of the Company together with the audited Statement of Accounts for the year ended 31st March 2010.

OPERATIONS:

Your Company had a very difficult time during the year ended 31st March 2010. A prolonged Electricity shortage and restrictions on base demand had crippled the operations. It is only due strict follow up of control measures that company is able to continue its production activities.

Management has left no Government door un-knocked to seek relief from electricity restrictions but in vein so far. Your company produces fresh button mushrooms round the year in controlled atmospheric conditions. The process is biological and continuous in nature. Mushroom cultivation is high-tech horticulture and needs uninterrupted electricity supply. Any interruption results in loss of control over process parameters with end result as total loss of crop performance.

Your Company has produced 897.510 Mts of Fresh Mushrooms and sold 862.752 Mts of out of the same, and thereby recorded a turnover of Rs. 629.827 lacs. The summary of the financial results for the year ending 31st March 2010 is presented here in below. Primarily company has focused on adjusting its operations to the available electricity base demand and units' viz-a-viz controlling expenditure.

FINANCIAL RESULTS:

PARTICULARS	Amount on 31.03.10 (in Rs. Lakhs)	Amount As on 31.03.09 (in Rs. Lakhs)
Gross Turnover & Other Income	684.17	811.82
Profit / (Loss) before Depreciation	(15.43)	119.65
Depreciation	113.44	115.58
Profit / (Loss) before Tax	(128.87)	4.07
Provision for Taxation	-	0.43
Net Profit / (Loss) for the Period	(128.87)	3.64
Balance B/F	(1933.52)	(1937.16)
Profit / (Loss) Balance C/F	(2062.39)	(1933.52)

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES:

The Company has adequate system of internal control relating to purchase of stores, raw materials, including components, plant and machinery, equipment and other similar assets and for the sale of goods. The Company has suitable internal control system commensurate with the size of the Company and nature of its business.

LIKELY DEVELOPMENTS IN HR / INDUSTRIAL RELATIONS:

Relations between the Management and the Labour are cordial throughout the year under review. Management is positive and it has enhanced welfare expenditure to maintain harmony

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. Dilsher Singh and Mr. B. Ramakrishnan retire by rotation and are eligible for re-appointment. As required by Clause 49 of the Listing Agreement, a brief resume of Mr. Dilsher Singh and Mr. B. Ramakrishnan is included in the notice of the forthcoming Annual General Meeting.



SAPTARISHI AGRO INDUSTRIES LIMITED

DIVIDEND:

In view of huge accumulated losses, your Directors are not in a position to recommend any dividend this year

DEPOSITS:

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

AUDITORS:

M/s. Singhi & Sudhir, Chartered Accountants, retiring auditors of the company have expressed inability to be re-appointed as Auditors of the Company, they hold office till the conclusion of the Annual General Meeting.

Board wishes to take on record valuable services provided by M/s Singhi & Sudhir Chartered accountants, during their tenure as statutory auditors of the company.

The Company has received letter from M/s K. Mahaveer & Co., Chartered Accountants conveying their willingness for appointment as statutory auditors of the company. The share holders of the company are requested to approve their appointment as Statutory Auditors of the company and authorize the Board of Directors to fix their remuneration.

CORPORATE GOVERNANCE:

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

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your directors state; a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures; b. 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;

c. 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;

d. that the directors had prepared the annual accounts on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS

Management analysis and review report mention in Corporate Governance report.

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: Chennai
Date :02.09.2010

sd/-
DILSHER SINGH BHINDER
MANAGING DIRECTOR

sd/-
B. RAMAKRISHNAN
DIRECTOR



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) Company has acquired a New Generational Water Chiller for optimum utilization of energy when total load requirement is less.
- c) Impact of measures as (a) and (b) above for reduction of energy consumption impact on the cost production of goods. 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.
- d) 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. Nil. At present Company is concentrating on Domestic market.
- b) Development of export market for products and services. The Company is looking into possibility of introducing new value added products and marketing of its services expertise for exports. Export of fresh mushrooms is under consideration apart from Canning into A 10 cans.

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. (viii)(a) in Annexure to the Auditors Report: the Company has deposited the provident fund dues upto March 2010 and the Company is taking steps to regularize the provident fund payment without delays.



SAPTARISHI AGRO INDUSTRIES LIMITED

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2009-10

(As required under Clause 49 of the Listing Agreement entered into with Stock Exchanges)

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company believes that good corporate governance practices enable the management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximising value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a truly global Company, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to SAPTARISHI AGRO INDUSTRIES LIMITED.

II. BOARD OF DIRECTORS:

- The Board of Directors of the Company comprises of Six Directors.
- The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year are given below:

NAME OF THE DIRECTOR	NATURE OF DIRECTORSHIP	NO. OF BOARD MEETINGS DURING THE PERIOD		WHETHER ATTENDED LAST AGM OR NOT
		HELD	ATTENDED	
MR. MALVINDER SINGH	Non Executive & Non Independent	5	3	YES
MR. B. RAMAKRISHNAN	Non Executive & Independent	5	4	YES
MR. DILSHER SINGH	Executive & Non Independent	5	1	NO
MR. GURPREET SINGH	Non Executive & Non Independent	5	2	YES
DR. R. P. TEWARI	Non Executive & Independent	5	2	YES
MR. ARVIND KALRA	Non Executive & Independent	5	5	YES

- 5 Board meetings were held during the financial year ended March 31, 2010 and the time gap between two meetings did not exceed four months. The dates on which the Board meetings were held are as follows:

30-04-09, 30.06.09, 27.07.09, 26-10-09, & 29-01-10.

- The number of Directorships and Committee Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of private limited companies and of companies incorporated outside India. Chairmanship /membership of Board Committees include membership of Audit, Remuneration and Shareholders / Investors Grievance Committees.

NAME OF THE DIRECTOR	NO. OF DIRECTORSHIPS IN OTHER PUBLIC COMPANIES		NO. OF COMMITTEE POSITIONS HELD IN OTHER PUBLIC COMPANIES	
	CHAIRMAN	MEMBER	CHAIRMAN	MEMBER
MR. MALVINDER SINGH	1	5	NIL	NIL
MR. B. RAMAKRISHNAN	NIL	5	NIL	NIL
MR. DILSHER SINGH	NIL	2	NIL	NIL
MR. GURPREET SINGH	NIL	4	NIL	1
DR. R. P. TEWARI	NIL	NIL	NIL	NIL
MR. ARVIND KALRA	NIL	3	NIL	2



SAPTARISHI AGRO INDUSTRIES LIMITED

v) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

III.AUDIT COMMITTEE

i) The terms of reference of the Audit Committee are broadly as under:

- Oversight of the Company's financial reporting process and the disclosure of the financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, regarding the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing with management the annual financial statement before submission to the Board, focusing primarily on:
 - Any Changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustment arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions as per Accounting Standard 18.

To have discussions with the auditors periodically about internal control systems. The scope of audit including the observations of the auditors and reviewing the quarterly, half yearly and annual financial statements before submission to the Board.

f. Disclosure of contingent liabilities.

ii) The composition of Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

NAME OF THE DIRECTOR	STATUS	NO OF AUDIT COMMITTEE MEETINGS HELD DURING THE PERIOD	
		HELD	ATTENDED
MR. B. RAMAKRISHNAN	Non Executive & Independent	4	4
MR. ARVIND KALRA	Non Executive & Independent	4	4
DR. R. P. TEWARI	Non Executive & Independent	4	2