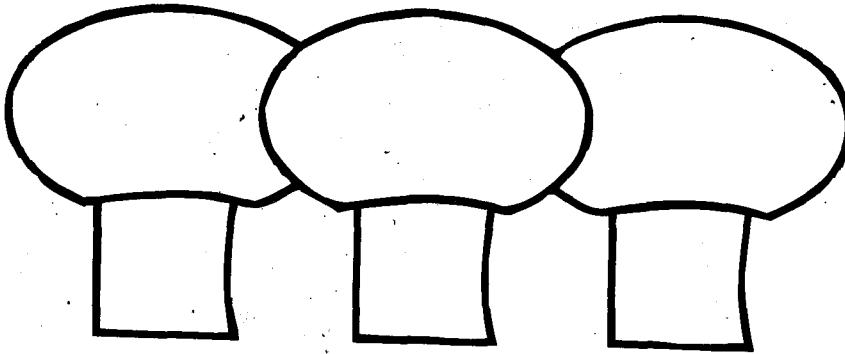


**19th Annual Report
2010-2011**



SAPTARISHI AGRO INDUSTRIES LIMITED

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

In response to GO GREEN initiative of the Ministry of corporate affairs, company shall promote electronic reporting from this year. To obtain soft copy of Annual Report we request Share Holders to furnish their E-mail id, Quoting their folio number and change in address (if any) by email to saptarishi12@sify.com.

Or logon to
www.saptarishiagro.com



SAPTARISHI AGRO INDUSTRIES LIMITED

Boards of Directors :	Mr. Malvinder Singh Mr. Dilsher Singh Mr. B. Ramakrishnan Dr. R.P. Tewari Mr. Arvind Kalra Mr. Sudhir Singhi	Chairman Managing Director Director Director Director Director
Audit Committee :	Mr. B. Ramakrishnan Dr. R.P. Tewari Mr. Sudhir Singhi	Chairman Member Member
Bankers :	M/s. State Bank of India Balaji Nagar Branch No.233, Royapettah High Road, Royapettah Chennai - 600 014.	
Auditors :	M/s. K. Mahaveer & Co. Chartered Accountants, 228/124, NSC Bose Road Sowcarpet, Chennai- 600 079.	
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 NINETEENTH ANNUAL GENERAL MEETING of the Members of SAPTARISHI AGRO INDUSTRIES LIMITED, will be held on Friday, the 30TH day of September, 2011 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 2011, 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.
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. K. Mahaveer & Co. Chartered Accountants, who hold the office till the conclusion of annual general meeting and are eligible for re-appointment.

“RESOLVED THAT M/s K. Mahaveer & Co. Chartered Accountants, the retiring auditors be and is hereby reappointed as the Auditors of the company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors and/ or any committee thereof”

Special Business :

1. To consider and if thought fit, pass the following Resolution with or without modification(s) as ordinary Resolution:

“RESOLVED THAT Mr. Sudhir Singhi, 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.”

2. 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: Pazhayanoor

Date : 30.08.2011

**DILSHER SINGH
MANAGING 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 Share transfer Books and the Register of Members of the Company will remain closed from Friday, the 23rd September 2011 to Friday, the 30th September 2011 (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. Malvinder Singh and Dr. R.P. Tewari, and Mr Sudhir Singh 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 nineteen years in Mushroom Cultivation. He is the Chairman & Managing Director of Agro Dutch Industries Ltd. He is also a Director of Calibre Rehabs Pvt. Limited, M/s. Saral Mushroom Projects India Limited, M/s. Vishwa Calibre Builders Pvt. Limited, Cannex International Ltd. and M/s Sukhmani Builders Pvt. Ltd.

His Contribution in the establishment of Agro Dutch Industries Ltd and leading to its consistent growth has been significant.

Chairmanship / Member of Committees of Board :

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

Shareholders/Investors Grievances Committee (Member) M/s. Agro Dutch Industries Ltd.

Share/Debtenture Transfer Committee (Member) M/s. Agro Dutch Industries Ltd.

b) Dr. R. P. Tewari :

Dr. R. P. Tewari is a retired Government employee, he retired as Director and Project Coordinator of National Research Centre for Mushroom, Solan (H.P.) and possesses rich and vast experience in mushroom cultivation, which is immensely beneficial for the Company.

Member of Committees of Board:

Audit Committee : M/s. Saptarishi Agro Industries Limited

Remuneration Committee : M/s. Saptarishi Agro Industries Limited

c) Mr. Sudhir Singhi:

Mr. Sudhir Singhi, is a chartered accountant by profession, and has vast experience in audit taxation, and accounting; he is a member of Institute of Chartered Accountants for more than 3 decades.

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. 1

The board of Directors in their meeting held on 14.02.2011, have co-opted Mr. Sudhir Singhi as an additional independent Director, Mr. Sudhir Singhi, is a chartered accountant by profession, and has vast experience in audit taxation, and accounting; he is a member of Institute of Chartered Accountants for more than 3 decades. His directorships held in other companies are as follows,

Directorship in other companies,

1. Dhanvarsha Enterprises & Investments Pvt. Ltd.
2. Goodfaith Vinimay Pvt. Ltd.
3. Sri Hari Vallabhaa Enterprises & Investments Pvt. Ltd.

ITEM NO.2

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: Pazhayanoor

Date : 30.08.2011

sd/-
**DILSHER SINGH
MANAGING DIRECTOR**

DIRECTORS REPORT

To
THE MEMBERS

Your Directors have pleasure in presenting their nineteenth Annual Report on the business and operations of the Company together with the audited Statement of Accounts for the year ended 31st March 2011.

OPERATIONS:

Your Company had a very bad period during the year ended 31st March 2011. Entire process of cultivation of Button Mushrooms was halted in last week of December 2010 due to break down of the Chiller. This was caused due to frequent starts and stops of machines due to regular load shedding and restrictions on base demand by Tamil Nadu Electricity Generation and Distribution Company Ltd.

Your company faced a major labour unrest immediately after the stoppage of process of growing mushrooms. Company's workers went on illegal strike refusing the partial lay-off to some workers who had no work. The strike lasted for 84 days. After lot of persuasions by management and conciliations at the office of Joint Commissioner of Labour on 2nd of May 2011, partial strength of workers reported to work.

Due to stoppage of production company has incurred a huge loss, factory is crippled with electricity disconnection, and pending repair of its machinery, most importantly its Chillers and peripherals.

Unavailability of un-interrupted electricity, HR and IR hurdles have made a big impact on the thinking of management; these aspects shall be strengthened before restarting production activities. The proposal of continuing mushrooms business needs to be rethought in the existing location.

Management has left no Government door un-knocked to seek relief from electricity restrictions but so far in vein. 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 324.06 Mts of Fresh Mushrooms and sold 319.80 Mts of out of the same, and thereby recorded a turnover of Rs. 342.50 lacs. The summary of the financial results for the year ending 31st March 2011 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 31.03.11 (in Rs. Lakhs)	Amount As on 31.03.10 (in Rs. Lakhs)
Gross Turnover & Other Income	366.34	684.17
Profit/(Loss) before Depreciation	(166.86)	(15.43)
Depreciation	113.61	113.44
Profit/(Loss) before Tax	(280.47)	(128.87)
Provision for Taxation	0	0
Net profit / (Loss) for the prior period	(280.47)	(128.87)
Balance B/F	(2062.39)	(1933.52)
Profit/(Loss) Balance C/F	(2342.86)	(2062.39)

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 went rough throughout the year under review. Management is positive that it will make them cordial and better than before.

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 Dr. R. P. Tewari, and Mr. Sudhir Singh as members.

DIRECTORS

Resignation of Mr. Gurpreet Singh was accepted in the meeting of Board of Directors held on 14.02.2011, and Mr. Sudhir Singh was appointed as additional director in the same meeting. Mr. Sudhir Singh was also nominated as the member of the reconstituted audit committee in the same meeting, replacing Mr. Arvind Kaira as member. Board takes on record the contributions made by Mr. Gurpreet Singh during his tenure as director of the company, and Mr. Arvind Kaira during his tenure as member of the Audit committee.

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 Dr.R.P.Tewari is included in the notice of the forthcoming Annual General Meeting.

Mr. Sudhir Singhi, : He is a chartered accountant by profession, and has vast experience in audit taxation, and accounting; he is a member of Institute of Chartered Accountants for more than 3 decades. His directorships held in other companies are as follows,

Directorship in other companies,

1. Dhanvarsha Enterprises & Investments Pvt. Ltd.
2. Goodfaith Vinimay Pvt. Ltd.
3. Sri Hari Vallabhaa Enterprises & Investments Pvt. Ltd.

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.K. Mahaveer & Co., Chartered Accountants, retiring auditors of the company hold office till the conclusion of the Annual General Meeting and are eligible for reappointment.

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: Pazhayanoor

Date : 30.08.2011

sd/-
DILSHER SINGH
MANAGING DIRECTOR

sd/-
ARVIND KALRA
DIRECTOR

sd/-
SUDHIR SINGHI
DIRECTOR

sd/-
DR. R.P. TEWARI
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. Company is exploring in possibility of utilizing its spent compost as enriched organic garden manure.

E. TOTAL FOREIGN EXCHANGE USED AND EARNED: NIL**ADDENDUM TO DIRECTORS REPORT**

EXPLANATION TO POINT NO. (ix)(a) in Annexure to the Auditors Report: the Company has deposited the provident fund dues upto date and the Company is regular in depositing the provident fund payment, except delayed payment in few months.



SAPTARISHI AGRO INDUSTRIES LIMITED

FORM A

FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

PARTICULARS		For The Year Ended 31.03.2011 Rs.	For The Year Ended 31.03.2010 Rs.
A. POWER & FUEL CONSUMPTION			
a. Purchased			
Electricity	Unit	1978410	30,07,627
Total Amount	Rs.	11705032	1,47,10,097
Rate/Unit	Rs.	5.92	4.89
b. Captive Power Generation			
Electricity	Unit	432097	733644
Total Amount	Rs.	5615838	8681710
Rate / Unit	Rs.	13	11.83
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	7.43	4.16
Furnace Oil	Ltrs	N.A.	N.A.

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 has continued for further Improving the quality of compost. Balancing of Chilled water quantities and air quantities In growing rooms to improve crop yields
- BENEFITS DERIVED AS A RESULT OF ABOVE R & D: Consistency in production is achieved to meet regular market demand.
- FUTURE PLAN OF ACTION:
To continue R & D to retain the competitive edge, by choosing low cost Agri-waste, minimising transportation, improving packing, recycling own process residues. Replacing use of electrical energy with other renewable and local available resources. Converting process waste into a marketable commodity.
- EXPENDITURE ON R & D:
Negligible Expenses incurred on R & D, Technology absorption and innovation have started paying dividends
- Efforts in brief toward 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.
- In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished: N.A.
- Technology imported:
- Year of import
- Has technology been fully absorbed
- If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action :

BY ORDER OF THE BOARD
for SAPTARISHI AGRO INDUSTRIES LIMITED

Place: Pазhayanoor

Date : 30.08.2011

sd/-
DILSHER SINGH
MANAGING DIRECTOR

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2010-11

**(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

- i) The Board of Directors of the Company comprises of Six Directors.
- ii) 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	6	2	YES
MR. B. RAMAKRISHNAN	Non Executive & Independent	6	4	YES
MR. DILSHER SINGH	Executive & Non Independent	6	2	NO
MR. GURPREET SINGH*	Non Executive & Non Independent	6	2	NO
DR. R. P. TEWARI	Non Executive & Independent	6	3	YES
MR. ARVIND KALRA	Non Executive & Independent	6	5	YES
Mr. SUDHIR SINGHI#	Non Executive & Independent	6	1	YES

*Resigned as director w.e.f. 14.02.2011.

#appointed as independent director w.e.f. 14.02.2011.

iii) 6 Board meetings were held during the financial year ended March 31, 2011 and the time gap between two meetings did not exceed four months. The dates on which the Board meetings were held are as follows:

30.04.2010, 15.05.2010, 14.08.2010, 02.09.2010, 15.11.2010, 14.02.2011.

iv) 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	3	Nil	Nil
MR. B. RAMAKRISHNAN	Nil	5	Nil	Nil
MR. DILSHER SINGH	Nil	1	Nil	Nil
DR. R. P. TEWARI	Nil	Nil	Nil	Nil
MR. ARVIND KALRA	Nil	3	Nil	2
Mr. SUDHIR SINGHI	Nil	Nil	Nil	Nil

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:

- a. 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.
- b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- c. 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.
- d. 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.
- e. 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	5	4
MR. ARVIND KALRA*	Non Executive & Independent	5	4
DR. R. P. TEWARI	Non Executive & Independent	5	4
Mr. SUDHIR SINGHI#	Non Executive & Independent	5	0

*ceased as member w.e.f. 14.02.2011.

#appointed as member on 14.02.2011.