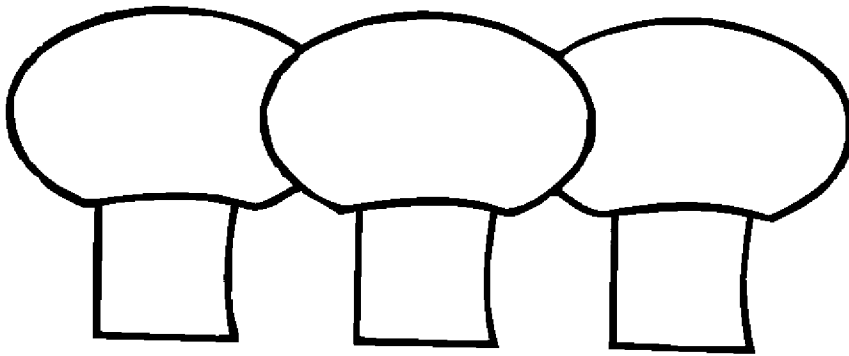


**20th Annual Report
2011-2012**



SAPTARISHI AGRO INDUSTRIES LIMITED

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

**In response to the GO GREEN initiative of the Ministry of corporate affairs, company shall send a soft copy of the
Annual Report to promote electronic reporting from previous year**

Share holders are requested to furnish their e-mail ids and change in their address (if any) to the company by e-mail to its
website www.saptarishi.com/investorsdatabase



SAPTARISHI AGRO INDUSTRIES LIMITED

Boards of Directors : **Mr. Malvinder Singh** Chairman
Mr. Dilsher Singh Managing Director
Mr. B. Ramakrishnan Director
Dr. R.P. Tewari Director
Mr. Arvind Kaira Director
Mr. Sudhir Singhi Director

Audit Committee: **Mr. B. Ramakrishnan** Chairman
Dr. R.P. Tewari Member
Mr. Sudhir Singhi 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 TWENTIETH ANNUAL GENERAL MEETING of the Members of SAPTARISHI AGRO INDUSTRIES LIMITED, will be held on Friday, the 28TH day of September, 2012 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 2012, the Balance Sheet as on that date and the Directors' and Auditors' Report thereon.
2. To appoint Director in place of Mr. Arvind Kalra, who retire by rotation and is eligible for reappointment.
3. To appoint Auditors and 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 :

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 : 23.08.2012**

**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 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 21st September 2012 to Friday, the 28th September 2012 (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. Arvind Kalra retire by rotation and is eligible for reappointment. The following information is being provided in terms of the Code of the Corporate Governance:
a) Mr. Arvind Kaira is a Chartered Accountant, has a rich and vast experience in taxation, audit and finance. Area of expertise in Taxation and Finance. He is also an effective cost controller, which is proved in Agro Dutch Industries Limited. He is a member of Institute of Chartered Accountants of India for thirty two years.

Directorship in other public limited companies:

1. M/s. Calibre Builders Ltd. 2. M/s Calibre Enterprises Ltd.

Member of the committees of Board.:

Shareholders Grievance Committee: Saptarishi Agro Industries Ltd.

Remuneration Committee: Saptarishi Agro Industries Ltd.

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

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: Chennai

Date : 23.08.2012

**BY ORDER OF THE BOAR
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 Twentieth Annual Report on the business and operations of the Company together with the audited Statement of Accounts for the year ended 31st March 2012.

OPERATIONS:

Your Company had a very bad period during the year ended 31st March 2012. Entire process of cultivation of Button Mushrooms was continued to be halted due to workers illegal strike and industrial disputes arising out of it. Due to the reason of non availability of adequate supply of electricity supply from Tamil Nadu Electricity Generation and Distribution Company Ltd, company could not venture in reconnection of its disconnected supply.

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.

As a result of stoppage of production of mushrooms since February 2011, company has incurred a huge loss, factory is crippled with electricity disconnection, and pending repairs of its chillers & peripherals and, most importantly its transformers. However due to Unavailability of un-interrupted electricity, recurring HR and IR issues, loss of peace and harmony in company premises as well as vicinity of its factory, etc have brought management to think to rest its activities of mushroom growing and allied works.

Your company has expertise to produces fresh button mushrooms round the year in controlled atmospheric conditions. Unfortunately worsened situation of electricity availability has rendered this activity totally unviable. The mushroom growing process is biological and continuous in nature and it needs a supportive climate of industrial relations to thrive, which is lacking in this place if we take a look at debacle every management faced in this place.

Your Company has no turn over from Fresh Mushrooms and during the year under review there was a nominal turnover of Rs. 6.22 lacs mainly on account of sales of spent compost. The summary of the financial results for the year ending 31st March 2012 is presented here in below. Company attempted to sell enriched organic manure by use of its spent compost which is end residue of the mushroom growing process. This alternate work activity was opposed by workers union and all workers of company are on strike on and from 15.03.2012. So far conciliation with the trade union have failed as workers continue to be away on strike demanding fancy compensation. Management is of the view that it will stick to the legal provisions of Industrial Dispute Act 1947, and exercise its right as employer in compliance with the procedures laid down in the Industrial Dispute Act 1947. A one time settlement with the workers shall allow management to think afresh on all facets of business and take a decision to carry on business on profitable path.



SAPTARISHI AGRO INDUSTRIES LIMITED

FINANCIAL RESULTS

Particulars	Amount As on 31.03.12 (in Rs. Lakhs)	Amount As on 31.03.11 (in Rs. Lakhs)
Gross Turnover & Other Income	24.06	366.26
Profit/(Loss) before Depreciation	(85.48)	(166.93)
Depreciation	114.03	113.53
Profit/(Loss) before Tax	(199.51)	(280.46)
Provision for Taxation	0	0
Net profit / (Loss) for the prior period	(199.51)	(280.46)
Balance B/F	(2342.85)	(2062.39)
Profit/(Loss) Balance C/F	(2542.37)	(2342.85)

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 considering various options for smooth running of company in future.

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. Sudhir Singhi, and Dr .R .P. Tewari, and as members.

DIRECTORS: In terms of the provisions of the Companies Act, 1956, Mr. Arvind Kaira retire by rotation and is eligible for re-appointment. As required by Clause 49 of the Listing Agreement, a brief resume of Mr. Arvind Kaira is included in the notice of the forthcoming Annual General Meeting.

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;



SAPTARISHI AGRO INDUSTRIES LIMITED

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.

Disclaimer:

Management Discussion and Analysis forming part of this Report is in compliance with Corporate Governance Standards incorporated in the listing agreement with stock Exchanges and such statements may be "forward-looking" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions in the domestic and overseas markets on which company's performance is dependant. It may be materially influenced by changes in the Government regulations, tax laws, other statutes and other incidental factors on which company may have no control.

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 : 23.08.2012

sd/-
Dilsher Singh
Managing Director

sd/-
Dr. R.P. Tewari
Director

sd/-
Arvind Kalra
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) During the period under review there was no production of Mushrooms, however company was cautious in conservation of energy as Company's commitment towards energy conservation continued on high priority basis.
- b) 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.
Due to unavailability of regular power company is not considering any possibility of venturing into export market.

D. EXPORT PLANS:

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. (d) of the Auditors report: Company has made a proper representation to the Tamil Nadu pollution control board to withdraw this demand as the production activity is halted since February 2011 and there is no fresh demand raised by the department

EXPLANATION TO POINT NO. (d) of the Auditors report: Company has made a proper representation to the Tamil Nadu pollution control board to withdraw this demand as the production activity is halted since February 2011 and there is no fresh demand raised by the department

EXPLANATION TO POINT NO. (f) Though more than 50% of the net worth of the company has been eroded and the company has been incurring cash losses continuously, company has prepared its financial statements on a going concern assumption. Also due to the shortage of electricity and labor strike the company did not have any activity of mushroom production during the year ended 31.03.2012. This being temporary phenomena the management is confident of change in the situation hence the accounts have being prepared on a going concern assumption.

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



SAPTARISHI AGRO INDUSTRIES LIMITED

FORM – A

FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

PARTICULARS		For The Year Ended 31.03.2012 Rs.	For The Year Ended 31.03.2011 Rs.
A. POWER & FUEL CONSUMPTION			
a. Purchased			
Electricity	Unit	NIL	1978410
Total Amount	Rs.	N.A.	11705032
Rate/Unit	Rs.	N.A	5.92
b. Captive Power Generation			
Electricity	Unit	66134	432097
Total Amount	Rs.	893857	5615838
Rate/Unit	Rs.	13.52	13
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	N.A.	7.43
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

There was no mushroom production during the year, R & D activity was done on utilization of spent compost as enriched garden manure. The process end residue of mushroom growing can be developed as an agricultural input by way of enrichment, as a by product to earn revenues.

- 1) **BENEFITS DERIVED AS A RESULT OF ABOVE R & D:**
Company has made rigorous study of development of organic manure using its spent compost and its enrichment.
- 2) **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.
- 3) **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. 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: **Not applicable.**
 - a. Technology imported, b. Year of import, c. Has technology been fully absorbed
 - d. If not fully absorbed, areas where this has not taken place, reasons there of and future plans of action :

Place: Chennai

Date : 23.08.2012

BY ORDER OF THE BOARD
for SAPTARISHI AGRO INDUSTRIES LIMITED
DILSHER SINGH
MANAGING DIRECTOR



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

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	1	NO
MR. B. RAMAKRISHNAN	Non Executive & Independent	6	0	NO
MR. DILSHER SINGH	Executive & Non Independent	6	4	NO
DR. R. P. TEWARI	Non Executive & Independent	6	3	YES
MR. ARVIND KALRA	Non Executive & Independent	6	6	YES
MR. SUDHIR SINGHI	Non Executive & Independent	6	3	YES

iii) 6 Board meetings were held during the financial year ended March 31, 2012 and the time gap between two meetings did not exceed four months. The dates on which the Board meetings were held are as follows:

14.05.2011, 12.08.2011, 30.08.2011, 30.09.2011, 14.11.2011, 10.02.2012.

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.