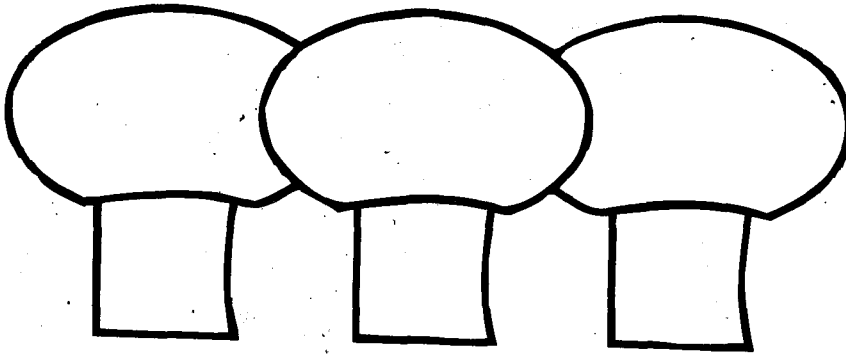


**19th Annual Report
2010-2011**



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

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/ Debenture 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: Pазhayanoor

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 Singhi 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 Singhi was appointed as additional director in the same meeting, Mr. Sudhir Singhi 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: Pазhayanoor

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)

- 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, 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.
- 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: N.A.
- 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 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 ATENDED 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. R. 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.

- iii) Five Audit Committee meetings were held during the financial year ended March 31, 2011. The dates on which the said meetings were held are as follows:

15.05.2010, 14.08.2010, 02.09.2010, 15.11.2010, 14.02.2011

IV. REMUNERATION COMMITTEE

- i) The broad terms of reference of the Remuneration Committee are as under:
- To approve the Annual Remuneration Plan of the Company.
 - To approve the remuneration and commission/incentive remuneration payable to the Manager & Directors of the Company for each financial year.
 - To approve the remuneration and annual performance bonus payable to the Manager & Directors of the Company for each financial year.
 - Such other matter as the Board may from time to time request the remuneration committee to examine and recommend/ approve.
- ii) The composition of Remuneration Committee is given below:

NAME OF THE DIRECTOR	STATUS
MR. B. RAMAKRISHNAN	Non Executive & Independent
MR. ARVIND KALRA	Non Executive & Independent
DR. R. P. TEWARI	Non Executive & Independent

- iii) One Remuneration Committee meeting was held during the financial year ended March 31, 2011. Dates on which meetings were held: 15.11.2010
- iv) The Company does not have any Employee Stock Option Scheme.

V. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

- i) The Company has constituted a Shareholders / Investors Grievance Committee of Directors to specifically look into the redressal of compliance of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc.
- ii) 14 Meetings of the Shareholders / investors grievance committee were held during the financial year ended March 31, 2011. The dates on which the said meetings were held are as follows:
- 3.04.2010, 21.06.2010, 08.07.2010, 10.08.2010, 28.08.2010, 21.09.2010, 1.10.2010, 25.10.2010, 20.11.2010, 16.12.2010, 31.12.2010, 20.01.2011, 09.03.2011, 31.03.2011
- iii) The composition of Shareholders / investors grievance Committee and details of meetings attended by the members of the Shareholders / investors Committee are given below:

NAME OF THE DIRECTOR	STATUS
MR. MALVINDER SINGH	Non Executive & Non Independent
MR. ARVIND KALRA	Non Executive & Independent

iv) Name, designation and address-of:

a) Compliance Officer:

Mr.N.G.ANGAL
Padalam Sugar Factory Road
Pazhayanoor Post,
Kancheepuram District, Tamil Nadu - 603 308.

v) Details of Shareholders complaints received and redressed:

The Total Number of Shareholders Complaints Received and Redressed during the year were Three. The Number of Complaints pending at the end of the financial year was NIL.

VI. GENERAL BODY MEETINGS

i) General Meetings:

The Last three Annual General Meetings of the Shareholders of the Company were held as under:

YEAR	DATE	LOCATION	TIME
2009-2010	30.09.2010	Padalam Sugar Factory Road, Pazhayanoor Post, Kancheepuram District, Tamil Nadu - 603 308.	10.00 A. M.
2008-2009	26.09.2009	Padalam Sugar Factory Road, Pazhayanoor Post, Kancheepuram District, Tamil Nadu - 603 308.	10.00 A. M.
2007-2008	27.09.2008	Padalam Sugar Factory Road, Pazhayanoor Post, Kancheepuram District, Tamil Nadu - 603 308.	10:00 A. M.

VII. DISCLOSURES

i) The related party transactions of the Company are mentioned in item no.9 of Notes on Accounts.

ii) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the financial year ending March 31, 2011: NIL

VIII. MEANS OF COMMUNICATION

The Quarterly, half-yearly and annual results of the Company are published in leading newspapers in India which include, the Trinity Mirror (Chennai-English Edition) and the Makkal Kural (Chennai-Tamil Edition). The Management's Discussion and Analysis is a part of the Company's Annual Report.

IX. GENERAL SHAREHOLDER INFORMATION

i) ANNUAL GENERAL MEETING:

Date : 30.09.2011. Time: 10.00 A.M.

Venue: REGISTERED OFFICE:
Padalam Sugar Factory Road,
Pazhayanoor Post, Kancheepuram
District, Tamil Nadu - 603 308.

ii) FINANCIAL CALENDAR: The financial year of the Company is 1st April, 2010 - 31st March, 2011.

iii) DATE OF BOOK CLOSURE:

The Share transfer Books and the Register of Members of the Company will be closed from Friday, 23rd day of September, 2011 to Friday 30th day of September, 2011 (both days inclusive).

iv) DIVIDEND PAYMENT DATE: No Dividend has been recommended by the Board of the Company.

v) LISTING ON STOCK EXCHANGES:

- The Stock Exchange Mumbai.

vi) MARKET PRICE DATA:

On account of very thin trading of the Company's Shares, the market price data has not been given.

vii) PLACES FOR ACCEPTANCE OF DOCUMENTS:

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

viii) SHARE TRANSFER SYSTEM:

All the shares of the Company are in physical form, the transfer documents can be lodged with the Company at the above mentioned address. Transfers of shares are normally processed within 15-20 days from the date of receipt if the documents are complete in all respects. The Directors and Manager of the Company are severally empowered to approve transfers.

viii) SHAREHOLDING (AS ON MARCH 31, 2011):

a) Distribution of Shareholding as on March 31, 2011.:

SHARE HOLDING OF NORMAL VALUE OF		NO. OF SHARE HOLDERS	%	AMOUNT IN Rs.	%
Rs.	Rs.				
Up To	5,000	19859	94.37	30299550	8.91
5,001	10,000	789	3.75	6367000	1.87
10,001	20,000	270	1.28	4080100	1.20
20,001	30,000	65	0.31	1587000	0.47
30,001	40,000	20	0.09	711000	0.21
40,001	50,000	12	0.06	579000	0.17
50,001	1,00,000	16	0.08	1276000	0.37
1,00,001	And above	13	0.06	295320770	86.80
	Total	21044	100	340220420	100

ix) DEMATERIALIZATION OF SHARES AND LIQUIDITY:

The Company is taking steps towards De-materialisation of Shares.

x) PLANT LOCATION:

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

xi) ADDRESS FOR CORRESPONDENCE:

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

The share holders are requested to send all their correspondences at the above-mentioned address.

MANAGEMENT DISCUSSION & ANALYSIS

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

B. a) INDUSTRY STRUCTURE

Mushroom cultivation in the country is done in two styles:

1) **Industry Style:**

Mushrooms are cultivated and further processed and packed in cans or Glass jars for international as well as

domestic markets. Since international market is much larger than domestic market substantial production of mushrooms is exported.

2) Horticultural style:

Fresh harvested Mushrooms are supplied to vegetable wholesale market for secondary distribution to retail chains and to the Hotels as any other vegetables.

b) DEVELOPMENTS

As a result of slow down and world wide recession prices of processed Mushrooms have fallen to an all time low. Mushroom industry which was hard hit by poor international prices is recovering from recession, Domestic market of processed mushrooms is negligible Fresh mushroom have demand and market is able to accept the produce at attractive prices.

Due to shortage of electricity in Tamil Nadu, and higher diesel prices mushroom growing input costs have risen very high. As such mushroom growing industry has suffered substantial losses since year 2008. Improvement in conversion (yield) is the only effective way out of this situation, stable crops yields are possible only if un-interrupted electricity supply is available throughout the year.

Fresh mushroom demand in domestic market is healthy; awareness about mushrooms for health seems to be the driver. Customer is ready to pay reasonable prices.

B. OPPORTUNITIES AND THREATS

a) OPPORTUNITIES:

Company has facilities for year round production. No dependence on any season for cultivation and in the markets of South India has a place for company's produce. Company has created fresh mushroom demand.

Increasing consciousness in population for high protein and low fat Diet will be met by company through its mushrooms. Fresh Mushrooms will be a necessary ingredient in every home.

b) THREATS:

Power shortage generally in every state is a major threat to all season cultivation. Due to decrease in agricultural activity in near by areas cost of paddy straw is high.

C. SEGEMENT WISE ANALYSIS:

The Company is dealing in only one segment i.e. manufacturing of fresh mushrooms.

D. OUTLOOK

Company believes that business of Mushrooms is a profitable activity in times to come. Customer satisfaction shall be maintained in the vision of company while selling fresh mushrooms. Company has expertise to grow mushrooms at minimum cost. Company shall utilize its learning in difficult times to build its future.

E. RISKS AND CONCERNS:

Power and Diesel shortage are seen as major risks and priority will be given to reduce dependence on state electricity supply by substituting with alternative technologies to other sources of energy. Continuous availability of power at reasonable price from alternative energy source preferably at lower cost should be the basis.

F. 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.

G. LIKELY DEVELOPMENTS IN HR / INDUSTRIAL RELATIONS

Relations between the Management and the Labour went rough throughout the year under review. 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 them who had no work. The strike lasted for 84 days. On many 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.

Management is positive and it will be successful in restoration of harmony.

H. Discussion on financial performance with respect to operational performance has been dealt in the Directors report.

XII. Cautionary Statement:

Details given herein above relating to various activities and future plans may be forward looking statements within the meaning of applicable laws and regulations. The actual performance may vary from those express or implied.

**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

MANAGING DIRECTOR & CEO'S DECLARATION ON CODE OF CONDUCT.

As required by Clause 49 of the Listing Agreement, the Managing Director & CEO's declaration for Code of Conduct is given below:

To
The Members of
SAPTARISHI AGRO INDUSTRIES LIMITED

I, Dilsher Singh Bhinder, Managing Director & Chief Executive Officer of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct.

for SAPTARISHI AGRO INDUSTRIES LIMITED
sd/-

Place: Pazhayanoor
Date : 30.08.2011

DILSHER SINGH
CEO / MANAGING DIRECTOR

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE
(Under Clause 49 of the Listing Agreement)**

To

The Members of **SAPTARISHI AGRO INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by M/s. SAPTARISHI AGRO INDUSTRIES LIMITED, for the year ended on 31-03-2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us, and the representations made by the directors and the management, we certify that the company has complied with conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that as per the records maintained by the Company, there was no investor grievance remaining unattended / pending for a period exceeding one month against the Company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs on the Company.

For K.MAHAVER & CO.,
Chartered Accountants,

Place: Chennai
Date : 30-08-2011

(K.MAHAVER)
Proprietor.
Membership No 203601
Firm Registration No 006740S

AUDITOR'S REPORT

**TO
THE MEMBERS OF
SAPTARISHI AGRO INDUSTRIES LIMITED**

We have Audited the attached Balance Sheet of Saptarishi Agro Industries Limited as at March 31st, 2011, its Profit and Loss Account for year ended on that date and its Cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free and material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. As audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) order, 2003, issued by the Central government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, the company has kept proper books of accounts as required by the law so far, as appears from our examination of such books.
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company.
- d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 as may be applicable except non provision of deferred tax as per the Accounting Standard 22 & non provision of amount payable to Tamil Nadu Pollution Control Board. (Note 10 & 3 of Schedule 15 respectively)
- e) According to information and explanation given to us and on the basis of written representation received from the directors, taken on record by the Board of Directors, no directors is disqualified as on 31-03-2011 from being appointed as director under section 274 (1) (g) of the Companies Act, 1956.
- f) Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Company's Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2011 and
- ii) In the case of Profit and Loss Account gives a true and fair view of the Loss for the year ended on 31st March 2011
- iii) In the case of Cash Flow Statement, on the Cash Flow for the year ended on 31st March 2011

For **K.Mahaveer & Co.**,
Chartered Accountants,

Place: Chennai
Date : 30-08-2011

(**K.Mahaveer**)
Proprietor.
Membership No 203601
Firm Registration No 006740S

ANNEXURE TO AUDITOR'S REPORT

As required by the Companies (Auditors Report) Order, 2003 and according to the information and explanation given during the course of our audit and on the basis of such checks and verification of the books and records of the Saptarishi Agro Industries Limited as we considered appropriate, we report that;

- (i) (a) The Company has maintained proper records showing full particulars including details of quantitative and situation fixed assets.
 (b) All the assets have not been physically verified by the management during the year but there is a system of verification which in our opinion is reasonable having regard to size of the company and nature the assets. No material discrepancies were noticed on such verification.
 (c) During the year, the company has not disposed off any of its assets.
- (ii) (a) The stocks were physically verified by the Management In our opinion the frequencies of such verification is reasonable.
 (b) The procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of Company and its nature of the business.
 (c) The company is maintaining the proper records of inventories. The discrepancies noticed between the physical stocks and books records were not material
- (iii) (a) The Company had not granted loan to / from the Companies, firms and parties from Companies listed in the register maintained under section 301 of the Companies Act, 1956, except current account of Holding and Related Company which has advanced the amount to the Company
 (b) There is no interest charged either way on loans and balance of Holding and Related Company
 (c) Loans and advances in nature of loans have been given to employees and others who are repaying the principal amount and interest if any as stipulated.
 (d) There is no overdue amount of loan taken from or granted to companies listed in the register maintained under section 301 on the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanation given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, Fixed assets and with regard to the sale of goods and services. Further during the course of our audit, we have not come across any instances of major weaknesses in internal control that require correction and so continued without correction.
- (v) (a) Based on the information and explanations given to us, we are of the opinion that the transaction if any that need to be entered into the register maintained u/s 301 of the Companies Act, 1956 have been so entered.
 (b) In our opinion and according to the information and explanation given to us, there are no transactions of purchase of goods and material and sales of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rupees Five lakhs or more in respect of each party which are prejudicial to the interest of the Company.
- (vi) In our opinion and according to the information and explanations given to us the company has not accepted the deposits which attract the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- (vii) In our opinion the company has an internal audit system commensurate with the size and nature of its business.
- (viii) In our opinion and according to information and explanations given to us, the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 are not applicable to the Company.

- (ix) (a) **The company is regular in depositing with appropriate authorities undisputed statutory dues, provident fund, custom duty, excise duty, cess and other material statutory dues applicable if any to it and there have been no serious delay (Except for delay in depositing provident fund and TDS dues to appropriate authorities on few occasions).**
- (b) According to the information and explanation given to us there are no dues of income tax, customs duty, wealth tax excise duty and cess which have not been deposited on account of any dispute.
- (x) **According to the information and explanations furnished to us, the Company has accumulated carried forward losses are Rs.23,42,86,148/- which are in excess of fifty percent of its net worth. The Company has incurred Cash losses during the financial year under report and the immediately preceding financial year.**
- (xi) **According to the information furnished to us, the company has not taken any working capital loans from the bank.**
- (xii) According to the information furnished to us, the company has not granted loans and advances on the basis of security by way of property documents and other securities. Therefore the provisions of clause 4 (xii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xiii) In our opinion and according to the information and explanations furnished to us, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xiv) According to the information furnished to us, the company is not trading in shares, securities, debentures and other investments and securities therefore the provisions of clause 4 (xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanations furnished to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations furnished to us, the company has not taken any term loans during the year.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) According to the information and explanation given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanation given to us during the period covered by our audit report, the company had not issued debentures
- (xx) According to the information and explanation given to us during the period covered by our audit report the company had not raised any money by public issue.
- (xxi) According to the information and explanation furnished to us and based on the audit procedures generally adopted by us, we report that no fraud on or by the company nor have we been informed by the management, of any such instance being noticed or reported during the year.

For K.Mahaveer & Co.,
Chartered Accountants

Place: Chennai
Date : 30-08-2011

(K.Mahaveer)
Proprietor.
Membership No 203601
Firm Registration No 006740S

BALANCE SHEET AS AT 31ST MARCH 2011

Figures in Rs.

PARTICULARS	SCH	AS AT 31.03.2011	AS AT 31.03.2010
SOURCES OF FUNDS			
SHARE HOLDERS FUNDS			
SHARE CAPITAL	1	340,399,420	340,399,420
RESERVES & SURPLUS	2	1,500,000	1,500,000
LOAN FUNDS	3		
UNSECURED LOAN		465,085	251,955
TOTAL ->		342,364,505	342,151,375
APPLICATION OF FUNDS			
FIXED ASSETS	4		
- GROSS BLOCK		266,931,404	266,001,981
LESS: - DEPRECIATION		176,224,631	164,863,231
NET BLOCK		90,706,773	101,138,750
CURRENT ASSETS, LOANS & ADVANCES	5		
- INVENTORIES		2,432,025	12,449,584
- SUNDRY DEBTORS		4,465,697	5,847,330
- CASH & BANK BALANCES		852,606	1,988,192
- LOANS & ADVANCES		24,353,561	31,183,377
		32,103,889	51,468,483
LESS: CURRENT LIABILITIES & PROVISIONS	6		
- CURRENT LIABILITIES		14,925,472	16,970,117
NET CURRENT ASSETS		17,178,417	34,498,366
MISCELLANEOUS EXPENDITURE (PRELIMINARY EXPENSES) (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	7	193,167	275,345
PROFIT & LOSS ACCOUNT		234,286,148	206,238,914
TOTAL		342,364,505	342,151,375
Notes on Accounts	15		

Schedule 1 to 15 form an integral part of Balance Sheet
for **K. MAHAVEER & CO**
Chartered Accountants

Sd/-
K. MAHAVEER
Proprietor (M.No. 203601)
Firm Reg. No. 006740S

sd/-
DILSHER SINGH
MANAGING DIRECTOR

sd/-
ARAVIND KALRA
DIRECTOR

sd/-
SUDHIR SINGHI
DIRECTOR

sd/-
R.P. TEWARI
DIRECTOR

Place: Pazhayanoor
Date : 30.08.2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

PARTICULARS	SCH	Year Ended 31.03.2011 Rs.	Year Ended 31.03.2010 Rs.
INCOME	8		
SALES		34,250,460	62,982,710
		34,250,460	62,982,710
OTHER INCOME		2,383,217	5,434,710
TOTAL ->		36,633,677	68,417,420
EXPENDITURE			
MATERIALS CONSUMED	9	10,721,315	19,687,723
EMPLOYEES REMUNERATION & BENEFITS	10	8,035,103	9,768,005
MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES	11	26,197,369	37,617,266
INTEREST & FINANCE CHARGES	12	13,169	43,857
DEPRECIATION	4	11,361,400	11,343,664
DEFERRED REVENUE EXPENSES (PRELIMINARY EXPENSES WRITTEN OFF)	13	82,178	97,178
DECREASE/ (INCREASE) IN FINISHED GOODS & WORK-IN-PROGRESS STOCKS	14	8,270,377	2,746,487
TOTAL		64,680,911	81,304,180
PROFIT /(LOSS) FROM OPERATIONS		(28,047,234)	(12,886,760)
Less:			
PROVISION FOR INCOME TAX		-	-
PROFIT/(LOSS) AFTER TAXATION		(28,047,234)	(12,886,760)
EXTRAORDINARY ITEMS		-	-
PROFIT & LOSS FOR THE PERIOD		(28,047,234)	(12,886,760)
LOSS BROUGHT FORWARD FROM PREVIOUS YEAR		(206,238,914)	(193,352,154)
BALANCE PROFIT/(LOSS) CARRIED FORWARD TO BALANCE SHEET		(234,286,148)	(206,238,914)
EARNING PER SHARE BASIC (Equity shares of Rs. 10 each fully paid up)		(0.82)	(0.38)

Schedule 1 to 15 form an integral part of Balance Sheet for **K. MAHAVEER & CO**
Chartered Accountants

Sd/-
K. MAHAVEER
Proprietor (M.No. 203601)
Firm Reg. No. 006740S

sd/-
DILSHER SINGH
MANAGING DIRECTOR

sd/-
ARAVIND KALRA
DIRECTOR

sd/-
SUDHIR SINGHI
DIRECTOR

sd/-
R.P. TEWARI
DIRECTOR

Place: Pazhayanoor

Date : 30.08.2011

SHARE CAPITAL

SCHEDULE - 1

PARTICULARS	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
AUTHORISED 3,60,00,000 EQUITY SHARES OF RS. 10/- EACH (PREVIOUS PERIOD - 3,60,00,000 SHARES)	360,000,000	360,000,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL 34022042 EQUITY SHARES OF RS. 10/- EACH FULLY PAID UP (PREVIOUS PERIOD 34022042 SHARES) Of the above shares, 25368777 shares are held by the holding Company M/S CALIBRE REHABS LIMITED (PREVIOUS YEAR 25368777 SHARES)	340,220,420	340,220,420
ADD: AMOUNT PAID UP ON FORFEITED SHARES (35800 shares)	179,000	179,000
	340,399,420	340,399,420

RESERVES & SURPLUS

SCHEDULE - 2

	Rs	Rs
CAPITAL RESERVE - GOVERNMENT SUBSIDY	1,500,000	1,500,000
	1,500,000	1,500,000

UN SECURED LOAN

SCHEDULE - 3

	Rs	Rs
From Body Corporate	465,085	251,955
	465,085	251,955

FIXED ASSETS

Schedule 4

DESCRIPTION	COST OF THE ASSETS				DEPRECIATION			NET BLOCK	
	'AS ON 01.04.2010	ADDITION DURING THE YEAR	TRANSFER / DELETIONS	As on 31.03.2011	Upto 31.03.2010	For the period	Deletions during the year	As on 31.03.2011	As on 31.03.2010
FREE HOLD LAND & DEVELOPMENT	4903694	-	-	4903694	0	0	0	4903694	4903694
BUILDINGS - FACTORY	76127275	-	-	76127275	39636625	2542651	0	42178276	33948999
NON-FACTORY BUILDING	13985449	18,181	-	14003630	3499637	228020	0	3727657	10275973
PLANT & MACHINERY	152515063	821,979	-	153337042	109840900	7811033	0	116851933	36485109
FURNITURE & FIXTURE	2385186	32,020	-	2417186	2221115	82454	0	2303569	113617
OFFICE & OTHER EQUIPMENTS	14206016	57,243	-	14263259	8899898	661263	0	9561161	4702098
VEHICLES	1879318	-	-	1879318	1566056	35979	0	1602035	277283
TOTAL ->	266001981	929423	0	266931484	164863231	11361480	0	176224631	90706773
PREVIOUS PERIOD	263837384	2,489,617	325,000	266001981	153844567	11343664	325000	164863231	101138750

CURRENT ASSETS LOANS AND ADVANCES

SCHEDULE - 5

PARTICULARS	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
INVENTORIES		
STORES, SPARES & CONSUMABLES	732,955	1,168,488
RAW MATERIALS	901,769	1,717,270
PACKING MATERIALS	797,301	1,293,449
FINISHED STOCK	-	-
WORK IN PROCESS	-	8,270,377
	2,432,025	12,449,584
SUNDRY DEBTORS		
UNSECURED AND CONSIDERED GOOD		
- DEBTS OUTSTANDING EXCEEDING SIX MONTHS	3,360,292	638,459
	1,105,405	5,208,871
UNSECURED AND CONSIDERED DOUBTFUL		
- DEBTS OUTSTANDING EXCEEDING SIX MONTHS	-	-
	4,465,697	5,847,330
CASH & BANK BALANCES		
CASH ON HAND	76,688	249,925
BALANCES WITH SCHEDULED BANKS		
- IN CURRENT ACCOUNT	764,141	396,799
- IN FIXED DEPOSIT	-	1,329,691
REFUND ORDER ACCOUNT	11,777	11,777
	852,606	1,988,192
LOANS, ADVANCES & DEPOSITS (UNSECURED)		
ADVANCE RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED	21,904,836	27,673,147
CONSIDERED GOOD	-	-
CONSIDERED DOUBTFUL	-	-
	21,904,836	27,673,147
DEPOSITS WITH GOVERNMENT DEPARTMENT*	2,448,725	3,510,230
Includes Rs.3000/- lodged as Security with Sales Tax Department	24,353,561	31,183,377



SAPTARISHI AGRO INDUSTRIES LIMITED

MANUFACTURING, ADMINISTRATIVE, EXPORT & SELLING EXPENSES

SCHEDULE - 11

	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
	Rs	Rs
MANUFACTURING EXPENSES		
POWER & FUEL	17,998,976	24,376,286
STORES, SPARES & CONSUMABLES	858,218	1,169,509
REPAIRS & MAINTENANCE		
- BUILDING	88,202	252,320
- MACHINERY	2,112,598	2,775,416
- OTHERS	60,736	71,558
PROCESSING CHARGES	2,440,029	4,347,143
MACHINERY HIRE CHARGES	402,598	1,461,959
	23,961,357	34,454,191
ADMINISTRATIVE EXPENSES		
Directors sitting fees	45,000	39,000
RATES & TAXES	202,998	212,948
RENT	39,613	23,160
TRAVELING & CONVEYANCE	218,631	653,227
TELEPHONE	61,400	101,990
POSTAGE & TELEGRAM	13,012	12,018
INSURANCE	115,891	50,758
AUDITORS REMUNERATION & EXPENSES	55,000	45,000
FILING & LISTING FEES	-	45,290
MISCELLANEOUS EXPENSES	1,046,742	1,094,301
PROFESSIONAL CHARGES	98,762	86,170
PRINTING & STATIONERY	66,742	88,237
AGM EXPENSES	187,099	132,395
PRIOR PERIOD EXPENSES	-	-
	2,150,890	2,584,494
SELLING EXPENSES		
SELLING EXPENSES	85,122	578,581
	85,122	578,581
TOTAL MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES	26,197,369	37,617,266

FINANCIAL AND OTHER EXPENSES

Schedule 12

	Rs.	Rs.
INTEREST -BANK	-	8,894
OTHER INTEREST	706	-
BANK CHARGES	12,463	34,963
	13,169	43,857

DEFERRED REVENUE EXPENSES WRITTEN OFF

Schedule 13

	Rs.	Rs.
Deferred Revenue Expenses Written off	82,178	97,178
	82,178	97,178

INCREASE / (DECREASE) IN FINISHED GOODS & WORK IN PROGRESS

SCHEDULE - 14

	Rs	Rs
OPENING STOCK		
FINISHED STOCK	-	-
WORK IN PROCESS	8,270,377	11,016,864
	8,270,377	11,016,864
CLOSING STOCK		
FINISHED STOCK	-	-
WORK IN PROCESS	-	8,270,377
	-	8,270,377
INCREASE / (DECREASE) IN STOCKS	(8,270,377)	(2,746,487)

NOTES ON ACCOUNTS
SCHEDULE 15
1. SIGNIFICANT ACCOUNTING POLICIES
ACCOUNTING CONVENTIONS

The financial statements are prepared under historical cost convention. Revenues are recognized and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses.

Sale is recognized on dispatch of goods from factory.

B. FIXED ASSETS:

Fixed assets are stated at the original cost inclusive of inward freight, incidental expenses related to acquisition and related pre-operational expenses.

Depreciation on fixed assets has been provided on straight-line method of the rates prescribed under Schedule XIV of the Companies Act, 1956.

Depreciation on assets added / disposed off during the year is provided on pro rata basis from the date of addition of such assets.

C. INVENTORY:

Raw materials, Packing materials, Stores, Spares and Consumables at cost on Weighted average method.

Finished goods, Work-in-progress Lower of the cost & net realisable value.

D. MISCELLANEOUS EXPENDITURE

Preliminary, Public Issue and Deferred Revenue Expenses

Preliminary, Public issue and Deferred Revenue expenses have been deferred and are being written off over a period of 10 years.

2. SALES TAX

(i) Advance recoverable in cash and kind or for value to be received includes Rs. 4,71,808/= on account of Deposit for Sales Tax appeal filed with appropriate authorities. The appeals had been decided in favour of the company.

3. CONTINGENT LIABILITY

a) Two Creditors have filed Civil cases against the Company for recovery of their dues which are disputed by Company. Company has not provided /ascertain the liabilities on this account.

b) A demand has been raised by Tamil nadu Pollution Control Board for Rs. 6,83,060/- towards consent fees and Water & Air Cess, the said amount has been disputed by the company and company is preparing to file an appeal against the order. Company has not provided for the said liability in the books on this account.

4. AUDITORS' REMUNERATION

(Amount in Rs)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Statutory Audit Fees	45,000	35,000
Tax Audit Fees	10000	10000
Other Services (Certification)/Expenses	0	0

**5. Remuneration of Directors .
Sitting Fees.**

Name of the Director	Status	CURRENT YEAR	PREVIOUS YEAR
Arvind Kalra	Non Executive & Independent	24000	27000
Dr. R.P. Tewari	Non Executive & Independent	18000	12000
Mr. Sudhir Singh	Non Executive & Independent	3000	Nil

6. FOREIGN EXCHANGE GAIN/ (LOSS) ADJUSTED IN RESPECTIVE ACCOUNTS /FOREIGN EXCHANGE FLUCTUATION ACCOUNTS

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Sales	Nil	Nil
Interest & Financial charges	Nil	Nil
Debtors	Nil	Nil

7. Additional information pursuant to the provision of paragraphs 3, 4C & 4D of part II of Schedule VI of the Companies Act, 1956.
A.DETAILED OF INSTALLED CAPACITY IN PRODUCTION

PARTICULARS	Licensed Capacity		Installed Capacity	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Canned White Button Mushroom (MT)	6000	6000	3000	3000

B. Particular in respect of Production and sales

PARTICULARS	UOM	Prod.Qty.	Sales Qty.	Sales Value	Closing Qty.	Closing Value
Fresh Mushroom	Mts	324.060 {897.510}	319.80 {862.752}	Rs. 34250460 {62982710}	0 {0}	Rs. 0 {0}
Total		324.060 {897.510}	319.80 {862.752}	34250460 {62982710}	0 {0}	0 {0}

Particular in respect of Production and sales

C. VALUE OF RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED DURING THE YEAR

PARTICULARS	CURRENT YEAR VALUE (Rs.)	%	PREVIOUS YEAR VALUE (Rs.)	%
Raw materials (including packing Materials)				
Imported	Nil	0.0%	Nil	0.0%
Indigenous	10721315	100.0%	19687723	100.0%
Total	10721315	100.0%	19687723	100.0%
Stores, Spares & Consumables				
Imported	Nil	0.0%	Nil	0.0%
Indigenous	858218	100%	1169509	100%
Total	858218	100%	1169509	100%

D. I RAW MATERIALS CONSUMED

PARTICULARS	UOM	CURRENT YEAR		PREVIOUS YEAR	
		QUANTITY	VALUE (Rs.)	QUANTITY	VALUE (Rs.)
Paddy straw	Mt.	1746.650	4049999	3422.500	7699716
Gypsum	Mt.	196.849	372262	474.6	884186
Coir Pith	Mt.	48.95	136652	220.6	634382
LLDPE Bags	Kg	11554	1243667	31360	3251966
Chicken Manure	MT	917.05	791119	2196.930	1832056
Ammonium sulphate	Kg	20262	213230	26085	307311
Spawn	Kg	28435	1735608	41730	1192587
Others(Including Fright Inwards)			700635		45451
Total	-		9243172		15847655

II CIF VALUE OF IMPORTS

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
Capital Goods	NIL	NIL
Stores & Spares	NIL	NIL
Raw Materials	NIL	NIL

III EXPENDITURE INCURRED IN FOREIGN CURRENCY AND OUTFLOW

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
Capital Goods	NIL	NIL

IV FOREIGN EXCHANGE EARNINGS AND INFLOW

PARTICULARS	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
FOB Value of Exports	NIL	NIL

V. Employee Benefits

Disclosures in terms of AS-15 are under:

a) Defined contribution plan

Retirement benefits in respect of the gratuity & leave en-cashment have been provided on accrual basis & charged to profit and loss account of the year based on acturial valuation done on 31.03.2011. However the company has not funded the Provision made in this respect of gratuity and leave en-cashment.

Retirement benefits in the form of Provident Fund is accounted on accrued basis and charged to the Profit and Loss account of the year.

Defined Benefit Plan:

As per the explanations given by the management of the company there are no plans for other benefit plans for the employees of the company like compensated absences, disability benefits etc., Hence valuation by actuary does not arise.

(Rs.In 000's)

PARTICULARS	Current Year	Previous Year
Expenses recognised in the statement of Profit and Loss for the year ended		
1. Current Service Cost	386	337
2. Interest Cost	418	483
3. Expected Return on Plan Assets	189	167
4. Net Actuarial (Gains)/ Losses	0	0
5. Total Expenses	(221)	(313)
	386	337
Net Asset/(Liability) recognised in the Balance sheet as on 31-03-2010		
1. Present value of Defined Benefit Obligation	2714	2406
2. Fair Value of Plan Assets as at 31-03-2010		
3. Funded Status (Surplus/ Deficit)		
4. Net Liability as at 31-03-2010 (No Fund is being maintained)	2714	2406
Change in obligation during the year ended		
1. Present value of Defined Benefit Obligation at the beginning of the year	2406	2120
2. Current Service Cost	418	483
3. Interest Cost	189	167
4. Actuarial (Gains) / Losses	(221)	(313)
5. Benefit Payments	(78)	(51)
6. Present value of Defined Benefit Obligation at the end of the year	2714	2406
Changes in Assets during the year ended		
1. Plan assets at the beginning of the year	0	0
2. Expected return on plan assets	0	0
3. Contributed by Employer	0	0
4. Actual Benefits paid	0	0
5. Actuarial Gains/ (Losses)	0	0
6. Plan assets at the end of the year (No Fund is being maintained)	0	0
Actuarial Assumptions		
1. Discount Rate	8%	8%
2. Expected rate of return on plan assets	NA	NA
3. Mortality	1994-96 (Ultimate)	1994-96 (Ultimate)
4. Turnover rates	2%	2%
5. Salary Escalator	8%	8%

8. The name of the Small Scale Industrial Undertakings to whom the Company owes out standing for a period more than 30 days is as follows, No Provision of Interest Made in books of Accounts (as certified by the management).

As. on 31.03.2011, the company does not owe any amount to small scale industrial undertakings which is due for a period more than 30 days as certified by the management.

9. RELATED PARTY DISCLOSURE

In accordance with Accounting standard 18 , the disclosures required are given below:

Related parties/ Enterprises

1. Calibre Rehabs Pvt Ltd
2. Agro Dutch Industries Ltd

Relationship : Enterprises in which key management personal are having significant influence .

Key Management Personal:

1. Mr. Malvinder Singh - Chairman
2. Mr. Dilsher Singh - Managing Director
3. Mr. Grupreet Singh* - Director
4. Mr. Arvind Kalra - Director

*resigned as director w.e.f. 14.02.2011

A. Related Party Transactions

Rs in Lacs

SI No	Nature of Transaction	Current Year		Previous Year	
		Calibre Rehabs Ltd	Agro Dutch Industries Ltd	Calibre Rehabs Ltd	Agro Dutch Industries Ltd
1.	Purchase of Goods	Nil	Nil	Nil	Nil
2.	Sales of Goods	Nil	Nil	Nil	Nil
3.	Sale of Fixed Assets	Nil	Nil	Nil	Nil
4.	Rendering of Service				
	a. Staff & Others	Nil	Nil	Nil	Nil
	b. Rent Received	Nil	Nil	Nil	2.64
5.	Outstanding as on 31.03.11				
	a. Creditors	Nil	Nil	Nil	3.69
	b. Debit Including Loans & Advances	Nil	Nil	Nil	Nil

B. Maximum Amount Due @

Particulars	Holding Company Rs In Lacs
Secured Loan	Nil
Share Application Deposit	Nil
Creditors	Nil
Loans Account	NIL

@ Information Given as per Clause 32 of the Listing Agreement.

10. Deferred Tax assets as per Accounting Standard AS 22 have not been recognized in view of uncertainty of its recovery.

11. Computation of Earning/(Loss) per Share

SL. No.	PARTICULARS	UNIT	CURRENT YEAR	PREVIOUS YEAR
1.	Opening No. of Shares	Nos.	3,40,22,042	3,40,22,042
2.	No of Shares Issued	Nos.	Nil	Nil
3.	Total No. of Shares outstanding	Nos.	3,40,22,042	3,40,22,042
4.	Weighted Average No. of Share outstanding	Nos.	3,40,22,042	3,40,22,042
5.	Earning/(Loss) for the Year to Equity Share Holder	Rs.	2,80,47,234	128,86,760
6.	Profit/(Loss) per Share	Rs.	(0.82)	(0.38)

12. Company has no other major activity other than growing mushrooms during the year ended 31st March 2011. Due to workers strike in the factory there was no production of mushrooms during February, and March 2011.

13. Previous year figures have been regrouped / rearranged where so ever considered necessary. As per our report of even date.

FOR K. MAHAVEER & CO.
Chartered Accountants

sd/-

K. MAHAVEER

Proprietor (M.No.203601)

Firm Registration No. 0067045

Place: Pazzhayanoor

Date : 30.08.2011

sd/-
DILSHER SINGH
MANAGING DIRECTOR

sd/-
ARVIND KALRA
DIRECTOR

sd/-
SUDHIR SINGHI
DIRECTOR

sd/-
R P TEWARI
DIRECTOR

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31,2011

Amount in Rs.

PARTICULARS	AS AT 31.03.2011	AS AT 31.03.2010
CASH FLOW FROM OPERATING ACTIVITIES		
NET INCOME	(28047234)	(12886760)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	11443578	11440842
Profit on sale of Assets	0	(60000)
Interest paid	13169	8894
Operating Profit/(loss) before working capital changes	(16590487)	(1497024)
Interest Received	(1826536)	(2308599)
Changes in assets and liabilities (increase)/decrease in :		
Inventories	10017559	4612284
Account Receivable	8211449	(2283361)
Trade payables	(2044645)	3598697
Net Cash Provided by Operating Activities	(2232660)	5075397
CASH FLOW FROM INVESTING ACTIVITIES		
Deferred Revenue Expenditure	0	0
Payments for purchase of property ,plant equipment	(929423)	(2489617)
Increase Decrease in Investment		
Sale of Fixed Assets/CWIP	0	60000
Net Cash used in investing activities	(929423)	(2429617)
CASH FLOW FROM FINANCING ACTIVITIES		
Margin for Guarantee/Short Term Loan	0	0
Proceeds from Unsecured loans	213130	5394
Working Capital Borrowings / (Repayment)	0	0
Interest received	1826536	2308599
Interest paid	(13169)	(8894)
Net Cash Used in Financing Activities	2026497	2305099
Total increase / (decrease) in cash and cash equivalents	(1135586)	(5199915)
Cash and Cash equivalents at the beginning of the year	1988192	7188108
Cash and Cash equivalents at the end of the year	852606	1988192
As Per our report of even date		

For , **MAHAVEER & CO**

Chartered Accountants

Sd/-

K. MAHAVEER

Proprietor (M.No 70277)

Firm Reg. no. 006740S

sd/-

DILSHER SINGH
MANAGING DIRECTOR

sd/-

ARVIND KALRA
DIRECTOR

sd/-

SUDHIR SINGHI
DIRECTOR

sd/-

R P TEWARI
DIRECTOR



SAPTARISHI AGRO INDUSTRIES LIMITED

Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956

**SAPTARISHI AGRO INDUSTRIES LIMITED
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

1. Registration Details

Regn. No. State Code
 Balance Sheet Date

2. Capital Raised during the period (Amount in Rs. Thousanddas)

Public Issue Right Issue / Preferential Issuem
 Bonus Issue Private Placement

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets
 Source of Funds (Amount in Rs. Thousands) Reserves & Surplus
 Paid-up capital
 Secured Loans Unsecured Loans
 Application of Funds (Amount in Rs. Thousands) Investments
 Net Fixed Assets
 Net Current Assets
 Accumulated Losses

4. Performance of Company (Amount in Rs. Thousands)

Turnover Total Expenditure
 Profit / (Loss) Before Tax + - Profit / (Loss) After Tax
 Earning per share in Rs. Dividend Rate %

5. Generic Names of Three Principal Products / Services of the Company (As per Monetary Term)

Iteam Code No (ITC Code)
 Product Description

K. MAHAVEER Proprietor Membership No. 203601 Firm Regn. No. 006740S	DILSHER SINGH Managing Director	ARVIND KALRA Director	SUDHIR SINGHI DIRECTOR	R.PTEWARI Director
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PROXY FORM
SAPTARISHI AGRO INDUSTRIES LIMITED

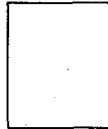
(Regd off. Padalam Sugar factory road, Pazhaynoor post, Kanchipuram Dist. Tamil Nadu-603308)

Regd. Folio No.....No. of Shares held.....

I/We of
in the district of being a Member / members of the above named company
hereby appoint of in the district of as my / our proxy to attend and vote for
me / us on my / our behalf at the Nineteenth Annual General Meeting of the Company to be held on
Friday, the 30th day of September 2011 at 10.00 a. m and at any adjournment thereof.

Signed this day of 2011.

(Affix One Rupee Revenue Stamp)



Notes:

- a).The form should be signed across the stamps as per specimen signatures registered with the Company.
- b).The Proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 Hours before the time fixed for holding the aforesaid meeting.

ATTENDANCE SLIP
SAPTARISHI AGRO INDUSTRIES LIMITED

(Regd off. Padalam Sugar factory road, Pazhaynoor post, Kanchipuram Dist. Tamil Nadu-603308)

Regd. Folio No. No. of Shares held

I Certify that I am a registered shareholder / proxy for the registered shareholder of the company.

I hereby record my presence at the Nineteenth Annual General Meeting of the Company to be held on
Friday the 30th day of September 2011 at 10.00 A.M at registered office of the Company.

Members / Proxy's Name
Signature:

Note: Please fill up this attendance slip and hand it over the entrance of the Meeting Hall.



BOOK - POST

**If Undelivered Please return to :
SAPTARISHI AGRO INDUSTRIES LIMITED
Padalam Sugar Factory Road,
Kolambakkam Village, Pazhayanoor
(P.O.) - 603 308
Kancheepuram District
Tamil Nadu
Ph : 044 - 27565281 / 282**