



A G R O
D U T C H
I N D U S T R I E S
L I M I T E D

(Formerly Agro Dutch Foods Limited)

19TH ANNUAL REPORT 2010-11

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BOARD OF DIRECTORS

Shri Malvinder Singh	Chairman & Managing Director
Shri Arvind Kalra	Executive Director
Shri Dilsher Singh	Director
Dr. H.S. Garcha	Director
Shri S.R.K. Agnihotri	Director
Shri B.B. Huria	Director
Shri Ajay Arora	Director
Shri Rajesh Malhotra	Nominee Director (IDBI Bank Ltd)

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Shri Vivek Atri

BANKERS / TERM LENDERS

Union Bank of India
Bank of India
State Bank of Patiala
ICICI Bank Ltd.
The Federal Bank Ltd.
Axis Bank Ltd.
IDBI Bank Ltd
State Bank of India
State Bank of Hyderabad
Allahabad Bank
Kotak Mahindra Bank Ltd.
Barclays Bank Plc.
DEG Germany
M & T Bank, USA

STATUTORY AUDITORS

M/s Suresh Mittal & Associates,
Chartered Accountants
16-A Bank Colony,
Behind Amar Hospital,
Patiala

REGISTERED & CORPORATE OFFICE

S.C.O. 30, 2nd Floor, Sector 33-D, Chandigarh 160020

WORKS

- Village Tofapur, Near Lalru,
Distt. S.A.S. Nagar (Mohali) (Punjab)
- Village Bhagwanpura, Barwala Road, Dera Bassi
Distt. S.A.S. Nagar, (Mohali) (Punjab)
- Padalam Sugar Factory Road,
Pazhaynoor (PO) Madhurantakam,
District Kancheepuram, Tamil Nadu

REGISTRAR & SHARE TRANSFER AGENTS

M/s Karvy Computershare Pvt. Ltd.
Plot No. 17-24, Vithal Rao Nagar,
Madhapur, Hyderabad - 500081

NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the Company shall be held on Saturday 24th September, 2011 at 10.30 A.M at Chandigarh Institute of Hotel Management (Formerly Food Craft Institute), Sector 42-D, Chandigarh to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March 2011 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. S.R.K. Agnihotri, who retire by rotation & being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. Ajay Arora, who retire by rotation & being eligible, offers himself for re-appointment.
4. To consider and if thought fit pass with or without modification the following resolution, as an ordinary resolution :
"Resolved that M/s Suresh Mittal & Associates, Chartered Accountants, the retiring auditors be and is hereby reappointed as the Auditors of the Company to hold 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

5. To consider & confirm and, if thought fit, to pass with or without modification(s), the following resolution, as a SPECIAL RESOLUTION:
"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956(including any statutory modifications or re-enactment thereof for the time in force) and subject to the approval of Central Government if necessary, Mr. Arvind Kalra be and is hereby appointed as Executive Director of the Company for a period of three years w.e.f 15th November 2010 on the terms and conditions of payment of remuneration as set out in the Explanatory Statement annexed hereto.
6. To consider and, if thought fit, to pass with or without modification(s), the following resolution, as a SPECIAL RESOLUTION:
"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any of the Companies Act, 1956, the approval of the members be and is hereby accorded to the appointment of Mr Tim Le Bas De to hold an Office or Place of Profit as Vice President (Exports & Logistics) of the Company, for a period of 5 years w.e.f 16.05.2011 on the terms and conditions of payment of remuneration as set out in the Explanatory Statement attached to this Notice.
7. To consider and, if thought fit, to pass with or without modification(s), the following resolution, as SPECIAL RESOLUTION:
"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any of the Companies Act, 1956, the approval of the members be and is hereby accorded to the appointment of Ms Dilshad Kaur to hold an Office or Place of Profit as General Manager (Canning) of the Company, for a period of 5 years w.e.f 16.05.2011 on the terms and conditions of payment of remuneration as set out in the Explanatory Statement attached to this Notice.
8. To consider and, if thought fit, to pass with or without modification(s), the following resolution, as an Ordinary Resolution:
"Resolved that the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any of the Companies Act, 1956, to the Board of Directors of the Company for mortgaging/charging all the immovable properties of the Company, wheresoever situated both present and future, and the whole or substantially the whole of the undertaking of the Company by way of 1st pari passu charge and 2nd pari passu charge in favour of State Bank of Patiala, State Bank of India, State Bank of Hyderabad, Allahabad Bank, Axis Bank Ltd., Union Bank of India, Federal Bank Ltd, ICICI Bank Ltd, Bank of India, IDBI Bank Ltd and DEG Germany, for securing Term Loans & Working Capital Facilities aggregating to Rs.35426.33 Lacs and Rs.9944.16 Lacs respectively together with interest, costs and other charges and expenses payable by the Company to the Bank, in terms of the Master Restructuring Agreement dated 26.03.2011 entered into or to be entered into between the Company and the Banks and modifications thereof."

"Resolved that the mortgage/charge created/to be created and/or all arrangement/documents executed/to be executed

and all acts done in terms of the above resolution by and with the authority of the Board of Directors are hereby confirmed and ratified.”

By order of the Board

Sd/-

Vivek Atri

CFO & Company Secretary

Place : Vill. Tofapur, Punjab

Date : 27.08.2011

Notes:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF COMMENCEMENT OF MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed for 2 days from 23rd September, 2011 to 24th September, 2011 (both days inclusive).
3. Members desirous of seeking any further information or clarification in respect of accounts and operations of the Company are requested to send their queries in writing to the Company at the Registered Office so as to reach at least 7 days before the date of the meeting so that the required information can be made available at the meeting.
4. Members are requested to bring with them the attendance slips sent with this Annual Report duly completed and signed to hand it over at the entrance.
5. The Explanatory statement pursuant to Section 173 (2) of the Companies Act 1956 in respect of Item No. 5, 6, 7 and 8 set out above is annexed hereto.
6. Members holding shares in physical form are requested to notify immediately the change in their address, if any at the Registered Office of the Company.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT 1956

ITEM NO.5

Keeping in view the involvement and hard work put up in the affairs of the Company by Mr. Arvind Kalra, the management has decided to appoint Mr. Arvind Kalra as Executive Director for a period of three years pursuant to the provisions of section 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956 w.e.f. 15th November, 2010 subject to the approval of shareholders in the general meeting. The Central Government has approved the appointment of Mr. Arvind Kalra vide letter no. B05271937/1/2011-CL.VII dated 31st May, 2011.

The terms and conditions of his appointment are as follows:

- I. Salary : Rs.2,00,000 /- per month
- II. Perquisites : In addition to Salary the Executive Director will be allowed perquisites as specified in Category A, B & C below:-

Category 'A'

i) Housing

The Executive Director shall be provided rent free accommodation by the company. In case no accommodation is provided, Executive Director shall be entitled to a House Rent Allowance @ Thirty percent of salary.

ii) Medical Reimbursement

Expenses incurred for self and family subject to ceiling of one month's salary in a year or three months salary over a period of three years.

Category 'B'

- i) Contribution of Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable will not exceed half a month's salary for each completed year of service.

- ii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on the perquisites.

Category 'C'

Provision of car(s) for use on company's business and telephone(s) at residence or mobile phone(s) will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

In case of absence or inadequacy of profits in any financial year, the aforesaid remuneration shall be paid to Mr Arvind Kalra as minimum remuneration.

None of the Directors except Mr. Arvind Kalra is concerned or interested in this appointment.

ITEM NO.6

Mr Tim Le Bas with his vast experience, has understood the business nuances of the Company and set the process, systems and procedures in place and established control over the business in that region. His scope of work covers complete control over the export & Logistics of the Company. Considering the expertise of Mr. Tim Le Bas De in International Business, the Company has decided to appoint Mr. Tim Le Bas De as Vice-President (Exports & Logistics) of the Company for a period of 5 years with effect from 16th May, 2011. Mr. Tim Le Bas De is a relative of Mr. Malvinder Singh, Chairman & Managing Director and Mr. Dilsher Singh, Director of the Company. Therefore, in terms of section 314 of the Companies Act, 1956, the approval of the members is required. The terms of appointment are as follows:

Salary : Rs.1,00,000 /- per month(Consolidated)

During his tenure, he will be governed by the Rules and Regulations of the Company as may be applicable to the employees of the Company from time to time including change in designation and responsibilities."

None of the Directors except Mr. Malvinder Singh or Mr. Dilsher Singh is concerned or interested in this appointment.

ITEM NO.7

Considering the expertise of Ms. Dilshad Kaur in Human Resource Management. The Company has decided to appoint Ms. Dilshad Kaur as General Manager (Canning) of the Company for a period of 5 years with effect from 16th May, 2011. Ms. Dilshad Kaur is a relative of Mr. Malvinder Singh, Chairman & Managing Director and Mr. Dilsher Singh, Director of the Company. Therefore, in terms of section 314 of the Companies Act, 1956, the approval of the members is required. The terms of appointment are as follows:

Salary : Rs.1,00,000 /- per month(Consolidated)

During her tenure, she will be governed by the Rules and Regulations of the Company as may be applicable to the employees of the Company from time to time including change in designation and responsibilities."

None of the Directors except Mr. Malvinder Singh or Mr. Dilsher Singh is concerned or interested in this appointment.

ITEM NO.8

CDR Empowered Group has approved the reworking of Debt Restructuring Scheme of the Company in their meeting held on 23.12.2010 and Letter of Approval for the same was issued on 17.01.2011. The reworking includes postponement of repayment schedule by another one year and carving out of slow moving stock into Working Capital Term Loan (WCTL). Master Restructuring Agreement (MRA) was executed on 26.03.2011. In terms of the said MRA, security was created on all fixed and current assets of the Company.

As per the provisions u/s sec-293 (1)(a) of Companies Act, 1956, the Board of Directors of the Company is required to be authorized by the members at a General Meeting for creating the charge/ mortgage on fixed assets/ immovable properties of the Company.

The Directors recommend the resolution for your approval.

None of the Directors of the Company is interested in the proposed resolution.

DIRECTORS' REPORT

The Directors are pleased to present the 19th Annual Report and Audited Statements of Accounts for the period ended on 31st March, 2011.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	2010-11	2009-10
Net Sales/Income	13443.29	9635.61
Other Income	944.39	864.87
Increase / (Decrease) in Stock	(2409.65)	(1540.35)
Total Expenditure	15425.76	12380.09
Profit (Loss) before Int/Tax/Dep	(3447.74)	(3458.61)
Interest	3111.63	3516.11
Depreciation	1641.90	1601.09
Misc Expenses W/o	4.00	38.65
Profit (Loss) before Tax	(8205.27)	(8575.81)
Provision for Taxation	1.84	2.10
Profit after Current Tax	(8207.11)	(8577.91)
Provision for deferred Tax/Mat Credit Entitlement	(3203.32)	3142.65
Profit/(Loss) after Tax	(11410.43)	(5435.26)
Extra Ordinary Items including Previous year adjustments	987.15	761.19
Net Profit/(Loss) After tax	(12397.58)	(6196.46)

DIVIDEND

In view of the loss, your directors regret their inability to recommend any Dividend for the year under review.

BIFR REFERENCE UNDER SECTION 15 AND OTHER APPLICABLE PROVISIONS OF CHAPTER III OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985.

Considering the audited financial results and the observations by the auditors thereon, the net worth of the Company has fully eroded. The Computation of Net Worth erosion is as under:

(Rs. in lacs)

NET WORTH		
Share Capital		
- Paid up equity share capital	5436.50	
- Paid up preference share capital	3964.11	9400.61
- General Reserve	5592.24	
- Share Premium Account	4421.88	10014.12
NET WORTH		19414.73
ACCUMULATES LOSSES (Profit & Loss Account-Debit Balance)		17241.73
Add: Unprovided for expenses/losses in respect of which Auditor's has made the following qualifications in the Auditor's Report on the accounts of the company for F.Y. 2010-11:		
(i) Old/ Slow moving stock of Canned Mushroom, included in closing stock, which has no realizable value.	1071.69	
(ii) Debts due against export, which are outstanding for more than two years, bill discounted against which has not been made good by the buyer and are doubtful of recovery.	1480.24	2551.93
Accumulated Losses after considering unprovided for losses / expenses		19793.66
Excess of Accumulated Losses over the Net Worth		378.93

The Board of Directors in their meeting held on 15th July, 2011, formed an opinion that the Company has become a Sick Industrial Company, accordingly a reference be made to Board for Industrial & Financial Reconstruction(BIFR) under Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.

The reference in terms of section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 was filed on 27.07.2011 and the same has been registered with BIFR on 8th August, 2011.

OPERATIONS

During the year under review, your company has achieved a turnover of Rs.134.43 Crores (previous year Rs. 96.36 Crores). The restructured debt of the Company has been reworked through CDR mechanism, which inter-alia includes enhancement of moratorium of 12 months. During the year there were torrential rains and floods in the surrounding area of Mushroom Production unit, which caused an outbreak of Wet bubble disease, thus affecting the production cycle. However, the disease has now been controlled and the production is stabilized now.

The Company expects the increase in the Mushroom production in future.

CHENNAI PLANT

The Commissioning of Chennai Plant is at a Stage of synchronization. The coil cutting and Can making line has been erected and tested. However, the commissioning of Easy Open End (EOE) and printing line getting delayed due to replacement of a critical part, which now has been imported. The Synchronization of the complete plant is delaying due to shortage of funds. The final commissioning is expected to be completed by 30.09.2011.

AUDITORS

M/s Suresh Mittal & Associates, Chartered Accountants, Patiala, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, have offered themselves for reappointment. The Board recommends their reappointment.

DIRECTORS

To appoint Director in place of Mr S.R.K.Agnihotri and Mr. Ajay Arora, who retires by rotation & being eligible, offers themselves for re-appointment.

ISSUE OF CAPITAL

The Company issued 10,00,000 (Ten Lacs) convertible warrants of Rs.10/- each, at a premium of Rs.13.00 per warrant to the Financial Investors on preferential basis. Out of these warrants, 2,00,000 warrants are outstanding for conversion. The last date for conversion is 4th January, 2012, If the Investor opts to exercise these option for conversion, the paid up capital shall increase by Rs. 20,00,000.

PARTICULARS OF EMPLOYEES

There is no employee in the Company whose particulars are required to be given under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibilities Statement, it is hereby confirmed:

- i) that in the preparation of accounts for the period ended 31st March, 2011, the applicable Accounting Standards had been followed and there are no material departures:
- ii) that the selected Accounting Policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the year end and profit of the Company for that period;
- iii) that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- iv) that the accounts have been prepared on a going-concern basis.

AUDIT COMMITTEE

The Board of Directors in their meeting held on 13th November, 2010 have re-constituted the Audit Committee consisting of the following:-

1. Mr. S.R.K. Agnihotri,
2. Dr. H.S. Garcha,
3. Mr. Ajay Arora,
4. Mr. B.B. Huria

The constitution is in accordance with Section 292A of the Companies (Amendment) Act, 2000.

The Committee met Five times during the year. The Board of Directors has accepted all the recommendation of the Audit Committee.

CORPORATE GOVERNANCE

As required under Clause 49 of the listing agreement, a report on Corporate Governance is enclosed in this annual report. Auditor's Certificate on the compliance of Corporate Governance is also annexed with the report.

LISTING OF SHARES & SEBI REGULATION

The Equity shares of the company are listed on The Stock Exchange Mumbai & National Stock Exchange of India Ltd., Mumbai. The listing fee for 2010-2011 has been paid on time and there being neither delisting nor suspension of shares from trading during the period under review.

INSURANCE

The company has taken the required insurance coverage for its assets against the possible risks like fire, flood, public liability, marine etc.

DEPOSITS

The Company has not invited any deposits from the public.

ACKNOWLEDGEMENTS

Company would like to thank its Shareholders including suppliers, vendors, investors and bankers. Company also records its appreciation of the contribution made by employees at all levels. The diligent hard work, cooperation and support is a backbone of all endeavors of the company. We, assure all the stakeholders that the team ADIL is fully dedicated and assure that with the continuous support, we will overcome the turbulence in the coming years.

For & on behalf of the Board
sd/-

Place : Village Tofapur
Dated : 27.08.2011

Malvinder Singh
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT

i) Conservation of Energy

Energy cost constitutes a major part of cost of production. The Company has installed its own co-generation power plant which helps the Company to reduce energy cost and also lower the dependence on State Electricity Board.

ii) Technology Absorption : Not Applicable

iii) Foreign Exchange Earning and Outgo

Earnings	Rs.	10363.91 Lacs
Interest	Rs.	0.00 Lacs
Outgo:		
Capital A/c	Rs.	69.37 Lacs
Raw Material & Consumables	Rs.	1152.85 Lacs
Spares & Components	Rs.	63.67 Lacs
Travelling	Rs.	39.12 Lacs
Interest & Financial Charges	Rs.	359.78 Lacs
Others	Rs.	225.27 Lacs
Repayment of term loans	Rs.	0.00 Lacs

iv) Explanation on observations by the Auditors

The Auditors have made some observations at Para (f) in their report. Following are the explanations on the same:

- a) **Old/Slow Moving Stocks** : The said stocks are old and the Company is finding it difficult to push the same in the export market. The matter was discussed in the Lenders Meet and accordingly the same were converted into Working Capital Term Loan through CDR rework scheme. The management is putting full efforts to dispose of the inventory of the same at any cost. The management is of the view that the realizable value of these stocks are very low and accordingly the valuation of these stocks were done at lower value in the balance sheet for the year ended 31st March 2011. The auditors are of the view that the entire stocks be valued at zero value. The management has accepted the opinion of the Auditors and has decided to write off the same in the books of accounts of the company in current financial year.
- b) **Export Bills**: The unpaid Export Bills, amounting to Rs. 39 crores, pertain to a foreign buyer, to whom canned mushrooms were supplied before the beginning of recession in US at a price of around 30 dollars prevailing at that time. Due to global meltdown and credit crunch in USA, the prices tumbled down to below 20 dollars. The buyer was struck with the huge inventory, which was liquidated by him at a much lower price. Accordingly, the buyer was not in a position to honor the bills fully. The Company persuaded to realize the dues and was able to recover majority of the bills. The management has decided to self write off the balance bills as permissible in terms of guidelines issued by Reserve Bank of India, in their Master Circular of July, 2011 for export credit.

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

The principal business of the Agro Dutch Industries Limited is growing of White Button Mushrooms.

a) **Business Environment**

The financial year 2010-11 witnessed the global economy largely shaking-off the effects of the economic & financial crisis and starting on the road to recovery. Though the economic growth in the industrialized nations was below average, the Asian economies, particularly India and China, recorded robust growth. The year also faced headwinds, such as European sovereign debt crises, political upheaval in middle-east, spill-over from the Japanese natural disaster and the high oil & other commodities prices as well as monetary tightening in emerging market economies to contain inflationary pressures.

b) **Industry Structure and Outlook**

There was a significant slowdown in the exports following the financial crisis which began in December, 2008. The Mushroom demand has now started to look up. The price of the canned Mushroom has improved significantly. The Mushroom production have also improved coupled with stability in US Dollar. The year 2010-11 witnessed the recovery trend from the recession and global slow down.

c) **Opportunities and Threats**

The Company is about to commission its Chennai Plant which has been set up for manufacturing of tin plate cans, Easy-Open-End (E.O.E) and Six Colour Printing Line. There is continuous demand for EOE cans for Mango pulp, gherkins, coffee, condensed milk, and other beverage industries in India.

ADIL's installed capacity is 90 % of total installed capacity of operating units in India. Therefore there is no stiff competition within India.

Since the company is 100% EOU, any changes in export policy of Government and imposition of anti dumping by USA or such other policy changes by importing country may affect the working of company.

d) **Segment Review and Analysis**

Company deals in one product i.e. export of canned mushroom. As such Board is of the opinion that no disclosure is required as per accounting standard 17.

e) **Outlook**

Since the production of Mushroom unit has stabilized and with the increased prices of Canned Mushroom, the company expects to do better in future. With the economy of scale enjoyed by the Company expansion in Can Manufacturing, Easy-Open-End (E.O.E) and Six Colour Printing Line at Chennai, the future outlook of the company is bright.

f) **Risks and concerns**

There is always high risk from diseases, contamination, fall in standard of production and quality of flush. Moreover Company's more than 70% turnover is in USA. Therefore any big fall in the demand or prices in this single country affects company's revenue badly.

g) **Internal Control Systems and their adequacy**

The Company has well defined and adequate internal control systems to ensure that all the assets are safeguarded. These internal controls are supplemented by periodic audits. We have a qualified and independent Audit Committee which comprises our Board of Directors. The Audit Committee reviews the adequacy and efficiency of internal controls and recommends any improvements or corrections. These internal controls ensure efficiency in operations, compliance with the internal policies of the Company, applicable laws and regulations, protection of resources and the accurate reporting of financial transactions.

h) **Human Resource Development/Industrial Relations**

The Company continues to believe that their employees are key contributors to the company's success.

The Group's Endeavour to impart the best training, working environment for retaining the best talents in the industry. Industrial relations continue to be cordial and harmonious.

i) **Cautionary Statement**

Certain Statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Director's envisage in terms of future performance and outlook.

REPORT ON CORPORATE GOVERNANCE

COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance contains a set of principles, process and systems to be followed by Directors, Management and all Employees of the Company for increasing the shareholder’s value, keeping in view interest of other stakeholders. While adhering to the above, the Company is committed to integrity, accountability, transparency and compliance with laws in all dealings with the Government, customers, suppliers, employees and other stakeholders.

COMPOSITION OF THE BOARD

The Board of Directors of the Agro Dutch Industries Limited comprises of the Chairman cum Managing Director, who is a promoter director, one executive director, and six non-executive directors including one Nominee Director. Details are given in Table 1.

TABLE 1: DETAILS ABOUT THE BOARD OF DIRECTORS

Sr. No.	Name of Director	Promoter/Executive/ Non-Executive/ Independent	Number of Meetings held	Number of Meetings Attended	Whether Attended on last AGM	Number of Outside Directorships of Public Ltd Companies	Materials Significant Pecuniary or Business Relationship with the Company
1.	Mr. Malvinder Singh	Promoter-Executive	6	6	Yes	3	NIL
2.	Mr. Gurpreet Singh*	Promoter-Executive	6	3	No	1	NIL
3.	Dr. H.S. Garcha	Independent -Non-Executive	6	2	No	NIL	NIL
4.	Mr. S.R.K Agnihotri	Independent Non-Executive	6	4	Yes	1	NIL
5.	Mr. B.B. Huria	Independent Non-Executive	6	6	Yes	2	NIL
6.	Mr Arvind Kalra	Executive Director	6	1	Yes	3	NIL
7.	Mr. Ajay Arora	Independent Non- Executive	6	4	Yes	5	NIL
8.	Mr. Dilsher Singh	Director	6	2	No	2	NIL
9.	Mr. P.K. Sethi**	Nominee Director	6	5	No	NIL	NIL
10.	Mr. Rajesh Malhotra***	Nominee Director	NA	NA	NA	NIL	NIL

*Resigned from directorship w.e.f. 10th February, 2011

**Withdrawn from Nomination w.e.f. 23rd May, 2011

*** Substitution of the nominee w.e.f. 23rd May, 2011

DETAILS OF BOARD MEETINGS HELD DURING THE YEAR

Date of Board Meeting	29th April, 2010	14th May, 2010	2nd August, 2010	14th August, 2010	13th November, 2010	12th February, 2010
Board Strength	10	10	9	9	9	8
No. of Directors Present	7	6	5	4	6	5

DIRECTORS’ ATTENDANCE RECORD & DIRECTORSHIPS

Table I gives the composition of the Board of Directors, the category of Directors, their attendance record and the number of directorships.

INFORMATION SUPPLIED TO THE BOARD

The Board has complete access to the information within the company including the information as per Clause 49 of the listing agreement. The agenda papers for the meetings are circulated in advance of each meeting.

DIRECTORS WITH MATERIALLY SIGNIFICANT PECUNIARY RELATIONSHIP OR BUSINESS TRANSACTIONS WITH THE COMPANY

There have been no materially relevant pecuniary relationships or transactions between the Company and its Directors for the year 2010-11.

REMUNERATION OF DIRECTORS

Table 2 gives full details of remuneration paid/payable to each director. During 2010-11, the Company did not advance any loans to any of its directors.

TABLE 2: REMUNERATION PAID/PAYABLE TO DIRECTORS DURING 2010-11 AND RELATIONSHIP, IF ANY

Name of Director	Remuneration Paid/Payable in 2010-2011 (Rs.)			Total (Rs.)
	Sitting Fees	Salaries, Allowances and Perquisites	Commission	
Mr. Malvinder Singh	Nil	Rs.46,80,000	Nil	Rs.46,80,000
Mr. Gurpreet Singh	Nil	Rs.32,50,000	Nil	Rs.32,50,000
Dr. H.S. Garcha	Rs.13,000	Nil	Nil	Rs.13,000
Mr. S.R.K Agnihotri	Rs.18,000	Nil	Nil	Rs.18,000
Mr. B.B. Huria	Rs.28,000	Nil	Nil	Rs.28,000
Mr. Arvind Kalra	Rs. 5,000	Nil	Nil	Rs.5,000
Mr. Ajay Arora	Rs.18,000	Nil	Nil	Rs.18,000
Mr. Dilsher Singh	Nil	Nil	Nil	Nil
Mr. P.K Sethi	NA	NA	NA	NA

COMMITTEE OF DIRECTORS
AUDIT COMMITTEE

The Audit Committee presently comprises of four non-executive directors. It reviews the Company's financial reporting process, disclosure norms, internal control systems, accounting policies and practices, Secretarial Audit Report, Listing agreement Compliances, reports of the Company's Internal Auditors, quarterly/half yearly financial statements. It also recommends appointment of statutory auditors recommends fixation of audit fees and reviews internal control systems, scope for observations of the auditors. It met five times during the year and the composition of the committee as well as the attendance record of its members are as follows: -

TABLE 3: DETAILS OF THE AUDIT COMMITTEE

Name of the Member	No. of Meeting Held	No. of Meeting Attended	Sitting Fees (Rs.)
Dr. H.S. Garcha	5	2	Rs.10,000
Mr. S.R.K Agnihotri	5	3	Rs.15,000
Mr. Arvind Kalra*	3	1	Rs.5,000
Mr Ajay Arora	5	3	Rs.15,000
Mr. B.B. Huria	5	3	Rs.15,000

* Mr. Arvind Kalra ceased to be a member of Audit Committee w.e.f 13th November, 2010.

SHAREHOLDERS/INVESTORS GRIEVANCES AND SHARE/DEBENTURE TRANSFER COMMITTEE

The committee was reconstituted during the year. The committee consists of three directors viz Mr. S.R.K. Agnihotri, Mr. Ajay Arora & Mr. Arvind Kalra. This Committee deals with the transfer of shares, issue of duplicate share certificates, and dematerialization of shares, investor grievances and complaints. The Board has appointed Mr. Vivek Atri, Company Secretary, as Compliance Officer. No valid transfer/transmission of share was pending as on 31st March, 2011.

REMUNERATION COMMITTEE

Remuneration committee presently comprises of Mr. S.R.K. Agnihotri, Mr. B.B. Huria and Mr. Ajay Arora.

During the financial year, one Remuneration Committee meeting was held on 13th November, 2010 to recommend to the

Board of Directors the payment of remuneration to the Executive Director for the financial year 2010-2011.

INFORMATION ON GENERAL BODY MEETINGS

The date, time and venue of the last three Annual General Meetings are as follows:-

YEAR	LOCATION	DATE AND TIME
2007-2008	CHANDIGARH INSTITUTE OF HOTEL MANAGEMENT (FORMERLY FOOD CRAFT INSTITUTE), SECTOR 42-D, CHANDIGARH	30 th September, 2008 AT 11.30 A.M.
2008-2009	CHANDIGARH INSTITUTE OF HOTEL MANAGEMENT (FORMERLY FOOD CRAFT INSTITUTE), SECTOR 42-D, CHANDIGARH	12 th October, 2009 AT 10.30 A.M.
2009-2010	CHANDIGARH INSTITUTE OF HOTEL MANAGEMENT (FORMERLY FOOD CRAFT INSTITUTE), SECTOR 42-D, CHANDIGARH	28 th September, 2010 AT 10.30 A.M.

DISCLOSURES

During the year, there were no transactions of material nature with the Director or the management or their subsidiaries or relatives that had potential conflicts with the interest of the Company.

There have been no instances of non-compliance on any matter related to the capital markets during the last three years.

MEANS OF COMMUNICATION

Quarterly, half yearly, annual results and statutory notices are published in prominent daily newspapers, i.e. The Jansatta (All Editions) and The Financial Express (All Editions). All these information are also uploaded on the web-site of the company i.e. www.agro-dutch.com

ANNUAL GENERAL MEETING

Date	Time	Venue
24.09.2011	10.30 A.M.	Chandigarh Institute of Hotel Management, (Formerly Food Craft Institute) Sector 42-D, Chandigarh

FINANCIAL CALENDAR

April 01 to March 31

DATES OF BOOK CLOSURE

23rd September, 2011 to 24th September, 2011. (Both Day inclusive)

REGISTERED OFFICE

S.C.O.30, 2nd FLOOR, SECTOR 33-D, CHANDIGARH – 160 020

TEL.NO. 0172-2606575, 2663336

FAX NO. 0172-2604045

E.MAIL NO. investors@agro-dutch.com

REGISTRAR AND SHARE TRANSFER AGENT

M/S. KARVY COMPUTERSHARES PVT LIMITED

PLOT NO.17-24, VITHAL RAO NAGAR, MADHAPUR,

HYDERABAD – 500 081

SHARE TRANSFER SYSTEM

Share transfers are registered and returned within a period of twenty one days from the date of receipt, if the documents are in order in all respects.

LISTING AND STOCK CODE

Share of ADIL are listed on the Mumbai, and National Stock Exchange Limited, Mumbai. The code for Mumbai Stock Exchange is 519281.

SHAREHOLDING PATTERN AS ON 31.03.2011

CATEGORY	NO. OF SHARES HELD	% OF HOLDING
A Promoters Holding		
1. Indian Promoters	53,67,529	9.87
2. Ministry of Food Processing	15,00,000	2.76
3. Persons acting in concert	2,51,36,419	46.24
Sub Total	3,20,03,948	58.87
B Non Promoters Holding		
4. Institutional Investors		
a) Mutual Funds and UTI	7,900	0.01
b) Banks/Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Govt. Institutions)	3,00,000	0.55
c) Foreign Institutional Investors	0.00	0.00
Sub Total	3,07,900	0.56
5. Others		
a) Private Corporate Bodies	46,06,265	8.47
b) Indian Public	1,67,10,024	30.74
c) Non Resident Indians/Overseas Corporate Bodies	5,90,660	1.09
d) Any Other		
a) Directors	16,300	0.03
b) Clearing Members	1,29,903	0.24
Sub Total	2,20,53,152	40.57
Grand Total	54365000	100%

STOCK MOVEMENT DATA

Month	Bombay Stock Exchange			National Stock Exchange		
	High (Rs.)	Low (Rs.)	Monthly Volume	High (Rs.)	Low (Rs.)	Monthly volume
April 2010	25.80	20.75	3,96,91,858	25.80	20.60	20,87,986
May 2010	25.90	21.90	1,90,29,512	26.05	21.90	10,95,262
June 2010	27.60	24.10	1,80,31,215	27.50	24.30	12,16,218
July 2010	37.25	24.55	8,45,31,535	37.70	24.60	40,98,926
August 2010	33.40	28.55	2,20,85,950	33.40	29.20	9,60,037
Sept 2010	31.20	22.70	2,42,93,520	31.15	22.75	13,01,100
October 2010	32.45	22.75	11,37,77,665	32.45	22.70	45,42,825
Nov 2010	31.00	14.50	11,81,00,183	30.70	14.45	72,92,928
Dec 2010	18.80	13.50	1,78,54,186	18.90	14.15	18,78,061
Jan 2011	16.35	11.20	82,80,338	16.40	11.55	9,59,978
Feb 2011	12.50	8.70	70,90,198	12.45	8.85	11,19,809
Mar 2011	10.59	9.00	59,12,249	10.95	9.25	6,46,730

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2011

Category		Number of Cases	% of Cases	Amount	% of Amount
From	To				
01	- 5000	17986	77.51	34802480.00	6.40
5001	- 10000	2532	10.91	21091610.00	3.88
10001	- 20000	1375	5.93	21815600.00	4.01
20001	- 30000	433	1.87	11382340.00	2.09
30001	- 40000	200	0.86	7226740.00	1.33
40001	- 50000	200	0.86	9581040.00	1.76
50001	- 100000	247	1.06	18830210.00	3.46
100001	> above	231	1.00	418919980.00	77.06
Total		23204	100.00	543650000.00	100.00

DEMATERIALIZATION OF SHARES

As on 31st March 2011, in total 5,21,78,945 (95.98% of the total number of shares) shares are in dematerialised form. The Company's shares are compulsorily traded in dematerialised form.

OUTSTANDING WARRANTS AND THEIR IMPLICATIONS ON EQUITY

The Company issued 10,00,000 (Ten Lacs) convertible warrants of Rs.10/- each, at a premium of Rs.13.00 per warrant to the Financial Investors on preferential basis. Out of these warrants, 2,00,000 warrants are outstanding for conversion. The last date for conversion is 4th January, 2012, If the Investor opts to exercise these option for conversion, the paid up capital shall increased by Rs. 20,00,000.

INVESTOR CORRESPONDENCE

Shareholders can contact the Company's Registrar & Share Transfer Agent:-

M/S. KARVY COMPUTERSHARES PVT LIMITED

PLOT NO.17-24, VITHAL RAO NAGAR, MADHAPUR, HYDERABAD – 500 081

AUDITORS' CERTIFICATE OF CORPORATE GOVERNANCE

The Company has obtained a certificate from ADIL's statutory auditors regarding compliance of the requirements of corporate governance as stipulated in clause 49 of the listing agreement with the Stock Exchanges and the same is annexed. The certificate will also be sent to the Stock Exchanges along with the Annual Report to be filed by the Company.

CERTIFICATE

To the Members of

Agro Dutch Industries Limited

We have examined the compliance of conditions of corporate governance by Agro Dutch Industries Limited, for the year ended on March 31, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Grievance Committee.

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 of the Company.

For Suresh Mittal & Associates
Chartered Accountants

Place : Village Tofapur

Dated : 15.07.2011

Sd/-
(Suresh Mittal)
Partner