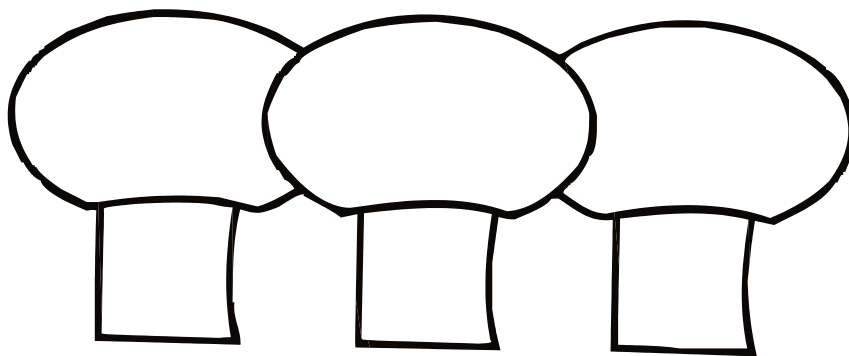


**22nd Annual Report
2013-2014**



SAPTARISHI AGRO INDUSTRIES LIMITED

Regd. Office : Padalam Sugar Factory Road, Pazhayanoor Post,
Kancheepuram District, Tamil Nadu - 603 308.
CIN: L15499TN1992PLCO22192

In response to the GO GREEN initiative of the Ministry of corporate affairs, company shall send a soft copy of the
Annual Report to promote electronic reporting from previous 3 year
Share holders are requested to furnish their e-mail ids and change in their address (if any) to the company by e-mail to its
website www.saptarishiagro.com/investorsdatabase



| | |
|-----------------------------------|---|
| Boards of Directors: | Mr. Malvinder Singh Chairman Mr. Dilsher Singh Managing Director Mr. B. Ramakrishnan Director Dr. R. P. Tewari Director Mr. Arvind Kalra Director Mr. Sudhir Singhi Director (Resigned w.e.f. 23/07/2014) |
| Audit Committee : | Mr. B. Ramakrishnan Chairman Dr. R. P. Tewari Member Mr. Sudhir Singhi Member (Resigned w.e.f. 23/07/2014) |
| Bankers: | M/s. State Bank of India M/s Canara Bank |
| 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. |
| Registrar & Share Transfer Agent: | Cameo corporate services ltd. Registered Office: Subramaniam Building, No.1 Club House Road, Chennai-600 002 |



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TEN YEARS PERFORMANCE

(Figures In Rs. Lacs)

| PARTICULARS | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Sales | 10.41 | 1.88 | 6.22 | 342.51 | 629.82 | 777.46 | 776.81 | 798.36 | 294.13 | 0.00 |
| Other Income | 11.25 | 9.13 | 17.84 | 23.83 | 54.35 | 34.35 | 23.50 | 6.04 | 103.78 | 164.57 |
| Total Income | 21.66 | 11.01 | 24.06 | 366.34 | 684.17 | 811.81 | 800.31 | 804.40 | 397.91 | 164.57 |
| Profit Before Tax(PBT) | -75.27 | -226.00 | -199.51 | -280.47 | -128.87 | 4.07 | 54.78 | 104.64 | 3.11 | -31.71 |
| Provision for Taxation : Current Tax and Short provision of Earlier Year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.43 | 0.47 | 1.13 | 0.00 | 0.00 |
| Deferred Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit After Tax (PAT) | -75.27 | -226.00 | -199.51 | -280.47 | -128.87 | 3.65 | 54.31 | 103.51 | 3.11 | -31.71 |
| Dividend | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Fixed Assets and Investments | 597.77 | 682.82 | 959.81 | 1110.96 | 1011.39 | 1103.65 | 1208.43 | 1266.88 | 1366.41 | 1294.39 |
| Net Current Assets | -22.42 | -32.20 | 83.18 | -34.83 | 344.98 | 384.29 | 374.31 | 159.39 | 21.76 | 49.64 |
| Total | 575.35 | 650.62 | 876.63 | 1076.13 | 1356.37 | 1487.94 | 1582.74 | 1426.27 | 1388.17 | 1344.03 |
| Represented by: Share Capital | 3403.99 | 3403.99 | 3403.99 | 3403.99 | 3403.99 | 3403.99 | 3403.99 | 3403.99 | 3403.99 | 3403.99 |
| Reserves | -2828.64 | -2753.37 | -2527.36 | -2327.86 | -2050.14 | -1918.52 | -1922.17 | -2164.66 | -2269.29 | -2269.88 |
| Net Worth | 575.35 | 650.62 | 876.63 | 1076.13 | 1353.85 | 1485.47 | 1481.83 | 1239.33 | 1134.69 | 1134.11 |
| Loans | 0.00 | 0.00 | 0.00 | 0.00 | 2.52 | 2.47 | 100.91 | 186.94 | 253.48 | 209.92 |
| Deferred Tax liability | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 575.35 | 650.62 | 876.63 | 1076.13 | 1356.37 | 1487.94 | 1582.74 | 1426.27 | 1388.17 | 1344.03 |
| Earning per Earning per Share (Rs.) Rs.): Before Extra ordinary items | -0.22 | -0.66 | -0.59 | -0.82 | -0.38 | 0.01 | 0.16 | 0.31 | 0.01 | -0.09 |
| Book Value per share (Rs.): | 1.69 | 1.91 | 2.58 | 3.16 | 3.98 | 4.36 | 4.35 | 3.64 | 3.33 | 3.33 |
| Dividend (%) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |



SAPTARISHI AGRO INDUSTRIES LIMITED

CIN: L15499TN1992PLC022192

**Regd Office: Padalam Sugar Factory Road, Kolambakkam Village,
Pazhayanoor (P.O.), Kancheepuram District, Tamil Nadu-603 308**

NOTICE

Notice is hereby given that the TWENTY SECOND ANNUAL GENERAL MEETING of the Members of SAPTARISHI AGRO INDUSTRIES LIMITED, will be held on Monday, the 29th day of September, 2014 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 2014, the Balance Sheet as on that date and the Directors' and Auditors' Report thereon.
2. To appoint Director in place of Mr. Malvinder Singh (DIN 01413877) who retire by rotation and is eligible for reappointment.
3. To appoint Director in place of Dr. R.P. Tewari (DIN 02526495) who retire by rotation and is eligible for reappointment.
4. To consider and if thought fit to pass with or without modification the following resolution, as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the companies Act, 2013 and the rules framed thereunder, as amended from time to time, M/s K. Mahaveer & Co. Chartered Accountants, (Firm Registration No. 006740S) the retiring auditors be and is hereby reappointed as the Auditors of the company to hold the office till the conclusions of 27th Annual General Meeting from the conclusion of 22nd Annual General Meeting subject to ratification of their appointment at every AGM, 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, to pass with or without modifications, the following resolution as ORDINARY RESOLUTION:

APPOINTMENT OF MR. R.P. TEWARI AS INDEPENDENT DIRECTOR

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the rules framed thereunder read with Schedule IV to the act (including any statutory modification(s) or re-enactment thereof for the time being in force and clause 49 of the Listing Agreement, **Dr. R.P. Tewari (DIN No. 02526495)**, a non-executive independent director of the company who has submitted a declaration that he meets the criteria for independence as provided in 149(6) of the Act and is eligible for appointment, and in respect of whom the company has received a notice in writing from a member under section 160 of the companies Act, 2013 proposing Dr. R.P. Tewari as a candidate for the office of a Director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for Five (5) consecutive years with effect from 29/09/2014, being the date of the 22nd Annual General Meeting, for a term up to the conclusion of the 27th Annual General Meeting, who is not liable to retire by rotation.

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

Sd/-

Place: Chennai
Date : 23.07.2014

**DILSHER SINGH
MANAGING DIRECTOR**



NOTES:

1. The explanatory Statement pursuant to Section 102(1) and (2) of the Companies Act, 2013 is annexed here to.
2. 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.
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. Provided that member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single proxy and such person shall not act as proxy for any other person or member.
4. The 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.
5. In terms of section 56 of the Companies Act, 2013 and the applicable provisions, the shareholders of the company may nominate a person in whose name the shares held by him/them shall vest in the event of his/her death. Shareholders desirous of availing this facility may submit the requisite nomination form.
6. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company/Registrar.
7. 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.
8. The Notice of 22nd AGM, details and instructions for e-voting and the Annual Report of the company for the year ended 31st March, 2014 may be accessed by the members. The physical copies of the aforesaid documents will also be available at the company's registered office for inspection during normal business hours on working days.

Copies of the above documents are being sent by electronic mode to the members whose email addresses are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the aforesaid documents are being sent by the permitted mode.
9. **The share transfer Books and the Register of Members of the Company will remain closed from Monday, the 22nd September 2014 to Monday, the 29th September 2014 (both days inclusive)**
10. **At the ensuing Annual General Meeting Mr. Malvinder Singh and Dr. R.P.Tewari who retire by rotation and are eligible for reappointment. The information in terms of the code of the Corporate Governance has been given below in Annexure to Notice:**



Annexure to Notice

Details of the Directors seeking election/re-election at the 22ND Annual General Meeting (pursuant to clause 49(iv)(G) of the listing Agreement.

| Particulars | Mr. Malvinder Singh | Dr. R.P. Tewari |
|--|-------------------------------|-------------------|
| Date of Appointment | 29.08.2003 | 28.06.1994 |
| Qualification | B.E.(Mechanical Engineering) | Eminent Scientist |
| Expertise in specific functional area | 23 years | 20 years |
| Directorship held in other companies (excluding foreign company) | Five | NIL |
| Membership/Chairmanship of committees of other companies (include only Audit committee and shareholders/investors grievance committee) | NIL | NIL |
| Number of shares held in the Company | NIL | NIL |

11. As per the provisions of Section 103(2) of the Companies Act, 2013, if no quorum is present within half an hour at the appointed time, the meeting stand adjourned. The Board have approved that adjourned meeting will be held at the same place on the same day after half an hour of the appointed time.
12. **Voting through electronic means: In compliance with the provisions of section 108 of the companies Act, 2013 and rules 20 of the companies (management and Administration) Rules, 2014, the company is pleased to provide to the members the facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL) on all resolutions set forth in this notice:**

The Procedure and instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

| | For Members holding shares in Demat Form | For Members holding shares in Physical Form |
|------|--|---|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) | |
| DOB# | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. | |



| | |
|------------------------|---|
| Dividend Bank Details# | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. # Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field. |
|------------------------|---|

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the sequence number in the PAN field. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. (Sl. No. mentioned in your address label can be used as Sequence No. for this purpose)

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on **EVSN:140828092** of Saptarishi Agro Industries Limited to vote.
- (xii) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to **<https://www.evotingindia.co.in>** and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

Please follow all steps from si. no. (i) to si. no. (xvii) above to cast vote.

- 13.** In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.co.in** under help section or write an email to **helpdesk.evoting@cdslindia.com**

Other Information:

- i) The e-voting period begins on Monday, 22nd September, 2014 (9 A.M. IST) and ends on Wednesday, 24th September, 2014 (6 P.M. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e 29/08/2014, may cast their vote electronically.
- ii) The e-voting module shall be disabled by CDSL for voting thereafter.



- iii) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on 29/08/2014.
- iv) **Ms. Swati Pandey, Practising Company secretary (CP. No. 8696)**, Delhi has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- v) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witness not in the employment of the company and make a Scrutinizer's report of the votes cast in favour or against forthwith to the Chairman/ Director of the company.
- vi) Voting is provided to the members through e-voting and at the annual general meeting of the company. A member can opt for only one mode of voting i.e. either through e-voting or at the Annual General Meeting of the company.
- vii) If a member casts votes by both modes, then voting done through e-voting shall prevail. The results shall be declared not later than two days from the date of Annual General Meeting (AGM) of the company. The results declared along with the scrutinizer's report shall be placed on the website of CDSL within forty eight hours of AGM and communicated to the BSE Limited, where the shares of the company are listed.

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

Place: Chennai
Date : 23.07.2014

**Sd/-
DILSHER SINGH
MANAGING DIRECTOR**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.****Item No. 3**

Dr. R.P. Tewari is an Independent Director of the Company. He joined the Board of Directors of the Company on 28th June, 1994. Dr. R.P. Tewari is a director whose period of office is liable to determination by retirement of directors by rotation under the relevant provisions of the Companies Act, 1956. In terms of section 149 and other applicable provisions of the Companies Act, 2013 ("Act"), Dr. R.P. Tewari being eligible and offers himself for appointment is proposed to be appointed as an Independent Director of the Company for a term of five years upto 27th Annual General Meeting. A Notice has been received from a Member along with the deposit of requisite amount proposing Dr. R.P. Tewari candidature for the office of Independent Director of the Company.

Dr.R.P. Tewari is an eminent scientist in the field of Mushrooms, he retired as director of National center for Mushroom research and training, Chambaghat District Solan Himachal Pradesh

The Company has received from Dr. R.P. Tewari (i) consent in writing to act as director in requisite Form pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) intimation in requisite in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Section 164(2) of the Act; and (iii) declaration to the effect that he meets the criteria of independence as provided in Section 149 of the Act.

The Board of Directors of your Company are of the opinion that Dr. R.P. Tewari fulfills the conditions specified in the Act and rules made there under to be eligible to be appointed as Independent Director pursuant to the provisions of Section 149 of the Act. The Board of Directors of your Company is also of the opinion that Dr. R.P. Tewari is independent of the management of the Company.

Except Dr. R.P. Tewari, no other Director or Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed resolution.

The resolution seeks approval of the members for the appointment of Dr. R.P. Tewari as Independent director of the Company for five consecutive years for a term up to 27th Annual General Meeting pursuant to Section 149 and other applicable provisions of the Act and Rules made there under and that he shall not be liable to retire by rotation.

The Board recommends the resolution set forth in item no. 3 for the approval of Members.

INFORMATION PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013**1. GENERAL INFORMATION**

- a) Nature of Industry: The main activity of the company is growing and marketing of white button mushrooms.
- b) Date or expected date of commencement of commercial production: 31/03/1994
- c) In case of new companies, expected date of commencement of activities as per projects approved by financial institutions appearing in the prospectus: Not Applicable
- d) Financial performance based on given indicators

Rs. in lakh

| Period | For the year ended on 31.03.2014 | For the year ended on 31.03.2013 |
|----------------|----------------------------------|----------------------------------|
| Gross Revenue | 10.41 | 1.88 |
| Loss After Tax | (75.27) | (226.00) |



e) Foreign Investment or Collaborations, if any: NIL

2. OTHER INFORMATION :

- a) Reasons of loss or inadequate profits: The company could not restart manufacturing activity of mushroom cultivation as the company is in process of setting up project in the hills of Nilgiris. Once the setting up project will complete, the company will restart the production activity and hopes to earn profit.
- b) Steps taken or proposed to be taken for improvement: Survey of locations in Hills at Kodaikanal, and Ooty were made to establish a unit in hills.
- c) Expected increase in productivity and profits in measurable terms: N.A.

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

Sd/-

Place: Chennai
Date : 23.07.2014

**DILSHER SINGH
MANAGING DIRECTOR**



DIRECTORS' REPORT

To

THE MEMBERS,

Your Directors have pleasure in presenting their twenty second Annual Report on the business and operations of the Company together with the audited Statement of Accounts for the year ended 31st March 2014.

OPERATIONS:

Your company could not restart manufacturing activity of mushroom cultivation as the company is in process of setting up project in the hills of Nilgiris. After settlement of all employees in the immediate previous year and continued poor supply of electricity; management considered to start cultivation of mushrooms in the hills of Nilgiris. Hill have a natural cool climate and poses little threat to mushroom crops due to factors such as stoppage of Chillers because of failure of electricity supply. In fact the growing activity need not be supported by air-conditioning at an altitude above 2000 meters even in summer months.

Survey of locations in Hills at Kodaikanal, and Ooty were made to establish a unit in hills. However on account of continued losses and absence of regular revenues, the cash crunch became main obstacle to go ahead undeterred on this thinking. Even though company has expertise in successful handling of mushroom business, in the new scenario of increased funds requirement, and inadequate resources this idea remained to exist on paper.

Even in absence of any production activity, and with a disconnected electricity supply company depended on generators to provide electricity for lighting during night required basically for security of the premises. The same arrangement continues to date. Your company sold spent compost to generate income but this was highly inadequate to meet the needs. Company generated revenues by selling of steel scrap of growing room's old racks, and machinery beyond any possible repairs to sustain regular expenses of diesel, security guards, salary and wages, statutory compliance, basic minimum repairs, etc.

Management further considered selling of its assets at the existing location and pursuant to Section 192A of the companies Act, 1956 share holders approved through postal ballot to pass resolution to dispose off assets of the company for the purpose of shifting unit to hills for restarting mushroom cultivation activity and further business.

The Resolution pursuant to Section 192A of the companies Act, 1956 was passed on 1.11.2013. However as on date the final decision is not yet arrived at as management has not found a serious buyer for the purchase of Assets at prevailing rates.

Most of the machinery and other infrastructure have already lived their life and further have been badly deteriorated as no maintenance care could be provided to during last more than 3 years.

The mushroom growing process is biological and continuous in nature and it needs a supportive climate. Your company has expertise to produces fresh button mushrooms round the year. Company has no turn over from Fresh Mushrooms and during the year under review there was a nominal turnover of Rs. 10.41 lacs on account of sales of spent compost. Company made use of its spent compost which is end residue of the mushroom growing process to generate small revenue on account of less demand from farmers

The summary of the financial results for the year ending 31st March 2014 is presented here in below.



FINANCIAL RESULTS

| Particulars | Amount As on 31.03.14 (in Rs. Lakhs) | Amount As on 31.03.13 (in Rs. Lakhs) |
|------------------------------------|--|--|
| Gross Turnover & Other Income | 21.66 | 11.01 |
| Profit/(Loss) before Depreciation | (25.95) | (112.6) |
| Depreciation | 49.32 | 113.40 |
| Profit/(Loss) before Tax | (75.27) | (226.00) |
| Provision for Taxation | 0 | 0 |
| Net profit / (Loss) for the period | (75.27) | (226.00) |
| Balance B/F | (2768.37) | (2542.37) |
| Profit/(Loss) Balance C/F | (2843.64) | (2768.37) |

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACIES

The company has adequate system of internal controls to ensure that all assets are safeguard, transactions are authorized, optimum utilization of resources, and costs are controlled and reporting of financial transactions and compliance with applicable law and regulations. 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

Company has not recruited employees in place of the relieved ones as per the tripartite agreement arrived in the previous year. In absence of any regular activity as they will be idle and wasted. As the alternate site is not yet finalized there is no activity in the company. In the absence of need for employees further employees are not being recruited for time being.

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

DIRECTORS:

In terms of the provisions of the Companies Act, 1956, Mr. Malvinder Singh retire by rotation and is eligible for re-appointment.

As per the requirement of companies Act, 2013 the Independent Director Dr. R.P.Tewari on the Board as on 1st April, 2014 shall be re-appointed for a tenure of 5 years and the same shall be confirmed at the ensuing Annual General Meeting.

Resignation of Mr. Sudhir Singhi was accepted in the meeting of Board of Directors held 23.07.2014. He has also resigned from the membership of Audit committee. Board takes on record the contributions made by Mr. Sudhir Singhi during his tenure as director of the company and member of Audit committee.

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 in terms of the provisions of sections 58A and 58AA of the Companies Act, 1956.

AUDITORS:

M/s. K. Mahaveer & Co., Chartered Accountants (Firm Registration No. 006740S), retire at the ensuing Annual General Meeting and has confirmed their eligibility and willingness to accept office, if re-appointed. The Audit Committee and the Board of Directors recommends the re-appointment as the Auditors of the Company for a period of five years. The share holders of the company are requested to approve their appointment as Statutory Auditors of the company for five years and authorize the Board of Directors to fix their remuneration.

INTERNAL AUDITORS:

The Board of Directors of the company has appointed Mr. ShashiKant Mishra (Chartered Accountant) as an Internal Auditor Pursuant to provisions of section 138 of the companies Act, 2013 for the Financial Year 2014-2015.

SECRETARIAL AUDITORS:

The Board of Directors of the company has appointed Ms. Swati Pandey, Practising Company Secretary (CP. No. 8696) as Secretarial Auditor pursuant to provisions of section 204 of the companies Act, 2013 for the Financial Year 2014-2015.

AUDITOR'S REPORT:

Observations made in the Auditors' Report are self-explanatory except few points which have been explained in Clause (E) to Annexure to the director's report.

COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

The Nomination & Remuneration Committee has been constituted as per the requirements of companies Act, 2013 which shall formulate the policy for appointment of Directors and Remuneration including criteria for determining qualification, positive attributes, independence of a director and other matters as provided under section 178(3) of the companies Act, 2013.

STAKEHOLDERS RELATIONS:

As per the requirement of Companies Act, 2013 a stakeholder relationship committee is being constituted. Necessary disclosure in this regard shall made in next Directors Report.

CORPORATE GOVERNANCE:

The company aims to conduct its affairs in an ethical manner. A certificate from the Company's Auditors regarding the compliance of conditions of corporate Governance as stipulated under clause 49 is also annexed with the report.

LISTING OF SHARES & SEBI REGULATION:

The Equity shares of the company are listed on The Stock Exchange Mumbai. Efforts are being made by promoters to reduce their holding to meet the requirement of maximum promoters holding of 75% of share capital.



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 accounts have been prepared on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS

Management analysis and review report mention in Corporate Governance report.

PARTICULARS OF EMPLOYEES:

No employee is in receipt of remuneration in excess of limits prescribed under 217(2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, EXPORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, is annexed and forms a part of this report.

Disclaimer:

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

ACKNOWLEDGMENT:

Your Directors place on record their appreciation for the continued co-operation extended by its Bankers, Shareholders and employees of the Company.

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

Place: Chennai
Date : 23.07.2014

**sd/-
Dilsher Singh
Managing Director**

**sd/-
Dr. R.P. Tewari
Director**

**sd/-
Sudhir Singhi
Director**

**sd/-
Arvind Kalra
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) During the period under review there was no production of Mushrooms, however company was cautious in conservation of energy as Company's commitment towards energy conservation continued on high priority basis. Company wants to reduce the consumption of electricity by adopting evolving technologies to adapt the present available electricity to its previous level of mushroom production.
- b) Total Energy Consumption per unit of production

Details furnished in Annexure herewith – Form A

B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption
Details furnished herewith – Form B

C. FOREIGN EXCHANGE EARNINGS AND OUT GO:

- a) Activities relating to exports: There has been no export during the financial year 2013-2014. At present Company is concentrating on Domestic market.
- b) Development of export market for products and services.

As company could not restart production activity so company is not considering any possibility of venturing into export of mushroom. However, Company is exploring in possibility of utilizing its spent compost as enriched organic garden manure.

D. TOTAL FOREIGN EXCHANGE USED AND EARNED:

NIL

E. ADDENDUM TO DIRECTORS REPORT

EXPLANATION TO POINT NO. (a), Note 24 (2)(b)(i) of the Auditors report basis of qualified opinion : Company has made a proper representation to the Tamil Nadu pollution control board to withdraw this demand as the production activity is halted since February 2011 and there is no fresh demand raised by the department.

EXPLANATION TO POINT NO. (b) Note 24 (2)(c) of the Auditors report basis of qualified opinion :

Although the receivables are subject to confirmation, management is confident of recovery of the same.

EXPLANATION TO POINT NO. (c) Note 24(2) (d) of the Auditors report basis of qualified opinion, and (x) of Annexure to Independent Auditors Report : Though more than 50% of the net worth of the company has been eroded and the company has been incurring cash losses continuously, company has prepared its financial statements on a going concern assumption. Also due to the continued shortage of electricity in the state, company did not have any activity of mushroom production even during the year ended 31.03.2014. Such issues as power shortage and non suspension of manufacturing are not permanent events and management is confident of change in the situation hence the accounts have being prepared on a going concern assumption.



EXPLANATION TO POINT NO. (d) Note 24(2) (e) of the Auditors report basis of qualified opinion, and (x) of Annexure to Independent Auditors Report : Company has not recruited employees in place of the relieved ones since management is of the opinion that in absence of any regular activity they will be idle and wasted. Management wants to give sufficient time and watch the development of suitable atmosphere with regard to restart of its operations.

EXPLANATION TO POINT NO.(viii) of the Auditors report: As there is hardly any production activity so no internal auditor was appointed. However, for internal control of Assets adequate checks are being followed.

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

FORM – A

FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

| PARTICULARS | | For The Year Ended 31.03.2014 Rs. | For The Year Ended 31.03.2013 Rs. |
|--|------|---|---|
| A. POWER & FUEL CONSUMPTION | | | |
| a. Purchased | | | |
| Electricity | Unit | Nil | Nil |
| Total Amount | Rs. | N.A. | N.A. |
| Rate/Unit | Rs. | N.A. | N.A. |
| b. Captive Power Generation | | | |
| Electricity | Unit | 37122 | 41577 |
| Total Amount | Rs. | 687710 | 617762 |
| Rate/Unit | Rs. | 18.52 | 14.85 |
| 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 | | No production | No production |
| Electricity | Unit | N.A. | N.A. |
| 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**

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

2. BENEFITS DERIVED AS A RESULT OF ABOVE R & D:

Company has made rigorous study of development of organic manure using its spent compost and its enrichment.

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.

EXPENDITURE ON R&D:

Negligible Expenses incurred on R&D,

Technology absorption Adaptation and Innovation**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 operation were being carried out.

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:

- a. Technology imported: NIL
- b. Year of import: N.A.
- c. Has technology been fully absorbed: N.A.
- d. If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action : N.A.

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

sd/-

Place: Chennai
Date : 23.07.2014

**DILSHER SINGH
MANAGING DIRECTOR**



CORPORATE GOVERNANCE REPORT FOR THE YEAR 2013-14
(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 during the year.
- ii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year are given below:

| NAME OF THE DIRECTOR | NATURE OF DIRECTORSHIP | NO. OF BOARD MEETINGS DURING THE PERIOD | | WHETHER ATTENDED LAST AGM OR NOT |
|----------------------|---------------------------------|---|----------|----------------------------------|
| | | HELD | ATTENDED | |
| MR. MALVINDER SINGH | Non Executive & Non Independent | 6 | 0 | NO |
| MR. B. RAMAKRISHNAN | Nominee Director | 6 | 5 | YES |
| MR. DILSHER SINGH | Executive & Non Independent | 6 | 0 | NO |
| DR. R. P. TEWARI | Non Executive & Independent | 6 | 5 | NO |
| MR. ARVIND KALRA | Non Executive & Non-independent | 6 | 6 | YES |
| Mr. SUDHIR SINGHI | Non Executive & Independent | 6 | 4 | YES |

Note: Mr. Sudhir Singhi has resigned w.e.f. 23/07/2014

- iii) 6 Board meetings were held during the financial year ended March 31, 2014 and the time gap between two meetings did not exceed four months. The dates on which the Board meetings were held are as follows:

27.05.2013, 8.08.2013, 3.09.2013, 1.11.2013, 13.11.2013, 11.02.2014.

- 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 | 1 | Nil | Nil |
| MR. B. RAMAKRISHNAN | Nil | 4 | Nil | Nil |



| 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. DILSHER SINGH | Nil | Nil | Nil | Nil |
| DR. R.P. TEWARI | Nil | Nil | Nil | Nil |
| MR. ARVIND KALRA | Nil | 4 | Nil | Nil |
| Mr. SUDHIR SINGHI | Nil | Nil | Nil | Nil |

Note: Mr. Sudhir Singhi has resigned w.e.f. 23/07/2014

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

III. AUDIT COMMITTEE

- i) The terms of reference of the Audit Committee are broadly as under:
- Oversight of the Company's financial reporting process and the disclosure of the financial information to ensure that the financial statement is correct, sufficient and credible.
 - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
 - Discussion with external auditors before the audit commences, regarding the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
 - Reviewing with management the annual financial statement before submission to the Board, focusing primarily on:
 - Any Changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustment arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions as per Accounting Standard 18.
 - To have discussions with the auditors periodically about internal control systems. The scope of audit including the observations of the auditors and reviewing the quarterly, half yearly and annual financial statements before submission to the Board.
 - 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 during the year ended on 31/03/2014:

| NAME OF THE DIRECTOR | STATUS | NO OF AUDIT COMMITTEE MEETINGS HELD DURING THE PERIOD | |
|----------------------|-----------------------------|---|----------|
| | | HELD | ATTENDED |
| MR. B. RAMAKRISHNAN | Nominee Director | 4 | 4 |
| DR. R. P. TEWARI | Non Executive & Independent | 4 | 4 |
| Mr. SUDHIR SINGHI | Non Executive & Independent | 4 | 2 |

Note: Mr. Sudhir Singhi has resigned w.e.f. 23/07/2014



- iii) Four Audit Committee meetings were held during the financial year ended March 31, 2014. The dates on which the said meetings were held are as follows:

27.05.2013, 8.08.2013, 13.11.2013, and 11.02.2014.

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 | Position |
|----------------------|---------------------------------|----------|
| MR. B. RAMAKRISHNAN | Nominee Director | Chairman |
| MR. ARVIND KALRA | Non Executive & Non Independent | Member |
| DR. R. P. TEWARI | Non Executive & Independent | Member |

- iii) No Remuneration Committee meeting was held during the financial year ended March 31, 2014.

Dates on which meetings were held: N.A.

- iv) The Company does not have any Employee Stock Option Scheme.

V. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

- i) The Company has constituted a Shareholders / Investors complaints/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.

The said committee has been reconstituted as Stakeholders Relationship Committee in accordance with the provisions of the companies Act, 2013.

- ii) 8 Meetings of the Shareholders / investors grievance committee were held during the financial year ended March 31, 2014 The dates on which the said meetings were held are as follows:

25.04.2013, 22.06.2013, 04.07.2013, 16.08.2013, 30.09.2013, 25.10.2013, 26.12.2013, 11.02.2014

- iii) The composition of Shareholders/investors grievance Committee and details of meetings attended by the members of the Stakeholders/investors Committee are given below:

| NAME OF THE DIRECTOR | STATUS |
|----------------------|---------------------------------|
| MR. MALVINDER SINGH | Non Executive & Non Independent |
| MR. ARVIND KALRA | Non Executive & Non Independent |
| Mr. SUDHIR SINGHI | Non Executive & Independent |

Note: Mr. Sudhir Singhi has resigned w.e.f. 23/07/2014



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 0 and Redressed during the year were 0. The Number of Complaints pending at the end of the financial year was 0.

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 |
|-----------|------------|---|-------------|
| 2012-2013 | 28.09.2013 | Padalam Sugar Factory Road, Pazhayanoor Post, Kancheepuram District, Tamil Nadu - 603 308. | 10.00 A. M. |
| 2011-2012 | 28.09.2012 | Padalam Sugar Factory Road, Pazhayanoor Post, Kancheepuram District, Tamil Nadu - 603 308. | 10.00 A. M. |
| 2010-2011 | 30.09.2011 | 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 point no. note 1.
- 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, 2014.

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 : 29.09.2014., Time : 10.00 A.M.
Venue: Registered office of company
at Padalam Sugar Factory Road,
Pazhayanoor Post,



Kancheepuram(District) , Tamil Nadu - 603 308.

ii) FINANCIAL CALENDAR:

The financial year of the Company is 1st April, 2013 to 31st March, 2014.

iii) DATE OF BOOK CLOSURE:

The Share transfer Books and the Register of Members of the Company will be closed from 22nd day, of September to 29th day of September, 2014 (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:

Company has appointed Cameo corporate services ltd as its registered transfer agent with the admission of share capital by Central Depository services (India) Ltd. (CDSL) Share holders can now dematerialize their shares with their depository participants registered with CDSL, **ISIN NO. OF COMPANY IS INE233P01017 Activation date 16-07-2013**. Physical form, the transfer documents can be lodged with **Cameo Corporate services Ltd.** " Subramaniam Building" No.1 Club House Road, Chennai-600 002 Telephones: 044-28460390 (5 lines), **Email: investor1@camioindia.com**. Transfers of shares are normally processed within 15-20 days from the date of receipt if the documents are complete in all respects.

viii) SHAREHOLDING (AS ON MARCH 31, 2014):

a) Distribution of Shareholding as on March 31, 2014:

| SHARE HOLDING OF NORMAL VALUE OF | | NO. OF SHARE HOLDERS | % | AMOUNT IN Rs. | % |
|-------------------------------------|--------|----------------------------|-------|---------------|------|
| Rs. | Rs. | | | | |
| Up To | 5,000 | 19819 | 94.32 | 30227550 | 8.89 |
| 5,001 | 10,000 | 795 | 3.78 | 6425000 | 1.89 |
| 10,001 | 20,000 | 271 | 1.29 | 4090100 | 1.20 |
| 20,001 | 30,000 | 65 | 0.31 | 1587000 | 0.47 |
| 30,001 | 40,000 | 20 | 0.09 | 706000 | 0.20 |



| SHARE HOLDING OF NORMAL VALUE OF | | NO. OF SHARE HOLDERS | % | AMOUNT IN Rs. | % |
|-------------------------------------|-----------|----------------------------|------|---------------|-------|
| Rs. | Rs. | | | | |
| 40,001 | 50,000 | 12 | 0.06 | 579000 | 0.17 |
| 50,001 | 1,00,000 | 16 | 0.08 | 1275000 | 0.38 |
| 1,00,001 | And above | 14 | 0.07 | 295326770 | 86.80 |
| | Total | 21012 | 100 | 340220420 | 100 |

ix) **DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

Equity Shares of company have been dematerialized with the Central Depository Services India Ltd. (CDSL). Members can avail the depository services with their depository participants registered with CDSL.

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

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.

2) **Horticultural style:**

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

b) DEVELOPMENTS

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.

Besides uncertainty of availability of quality services from state run Electricity Company, the ever rising cost of electricity, and that of diesel, mushroom growing input costs have touched new high. Since the year 2008 mushroom growing industry has registered stunted growth if not negative. Achieving regular high yield is the most important parameter for success in this business. Stability of crop yields is possible only if growing is restricted to suitable months when room temperature can be accurately controlled.

B. OPPORTUNITIES AND THREAS

a) OPPORTUNITIES:

In the markets of South India there is a place for company's produce. Company will have to abendent style of round the year cultivation and adapt to seasonal growing. A zero crop failure on account of high ambient temperature should be maintained as target every day. Company has created fresh mushroom demand by regularly supplying, quality produce to the market at best prices. Company will have to adapt to a cost effective and sustainable style of mushroom cultivation to reach its markets with reduced but regular feeding to create its niche. Market is short supplied and mushrooms have gained popularity in hotels and homes due to its high protein and low fat contents.

b) THREATS:

Unavailability of good quality Paddy straw will be one of the basic requirements of company. Company has to use its expertise to develop a supply chain for getting its raw materials. Transportation of raw materials and its safe storage in hills is another challenge to be handled. Labour cost and availability of trained and suitable skilled and semiskilled manpower will need to be addressed on its face and company will have to adopt to higher wage rates and efficient operations for achieving improved labour productivity.

C. SEGEMENT WISEANALYSIS:

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 only if it adapts a style to match the cost of seasonal growers. This is only possible by changing the gears as per the season of the location and market price. Company has expertise to grow mushrooms in organized round the year system, it has to adapt to change capacity utilization depending upon the benefits or risks from the specific season of the year and be vigilant about cost of inputs. Company has bagful of experience to utilize its learning from past difficult times to build its future.

E. RISKS AND CONCERNS:

Company believes that a model of variable production should be tried to suit the cost effective cultivation without depending upon electricity and with more support of the favorable natural climate than the artificial air conditioning.

F. INTERNAL CONTROL SYSTEMS AND THE 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

Company has not recruited employees in place of the relieved ones in absence of any regular activity as they will be idle and wasted. Company has the experience of facing industrial dispute and settlement, etc. Company will be proactive to strengthen its HRD department as a prerequisite to restart manufacturing.

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**

sd/-

Place: Chennai
Date : 23. 07. 2014

Dilsher Singh
Managing 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, 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 : Chennai
DATE : 23.07.2014

Dilsher Singh
Managing Director / CEO.



**AUDITOR'S 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 31-03-2014, 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 a review of the 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 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.

Place: Chennai
Date : 23.07.2014

For K.Mahaveer & Co.,
Chartered Accountants,

sd/-

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

INDEPENDENT AUDITOR'S REPORT**To the Members of****M/s Saptarishi Agro Industries Limited****Report on Financial Statements**

We have audited the accompanying financial statements of Saptarishi Agro Industries Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our audit in accordance with the Standards on Auditing issued by the institute of Chartered Accountants on India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Qualified Opinion

- a) As mentioned in no note 24 (2) (b) (i) of the financial statements regarding non provision of Rs 6,83,060/- being amount payable to Tamil Nadu Pollution control Board. Though Company has disputed the amount payable to the Tamil Nadu Pollution Control Board, it has not taken any legal remedy and accordingly no provision has been made by the Company in this regard. As such we are unable to express any opinion as to the effect thereof on the financial statements for the year.
- b) As mentioned in note no 24 (2) (c) of the financial statements, the balances of some of the trade receivables, Advance to Suppliers, Trade Payables and Advance from customers and others are

subject to confirmation. As such we are unable to express any opinion as to the effect thereof on the financial statements for the year.

- c) As mentioned in note no 24 (2) (d) of the financial statements, the Company's Carry forward losses is more than 50% of its Net Worth and has been incurring Cash Losses continuously. This factor along with other matters such as Non availability of Power, Closure of Production since February 2011 (there was no activity of growing Mushroom by the Company since February 2011),
- d) The Company has Settled all its employees except 2 employees as per Industrial Disputes Act, 1947, 12 (3) agreement with Workers' Union (all the workers and their account have been Settled in the financial year ended 31.3.2013. Further no new employees have been recruited during the year ended 31.3.14, This fact raise doubt that the Company will be able to continue as a going Concern. The Company's ability to continue as a going concern is dependent upon successful restructuring and revival of its business. In Case the going concern concept is vitiated, necessary adjustments will be required on the carrying amount of Assets and Liabilities which are not ascertainable.

The Consequential effect of sub para (b), (c) and (d) above on assets and liabilities as at 31st March 2014 and the Losses for the year ended 31st March 2014 are not ascertainable. Had the effect of above as stated in sub para (a) had been given the loss for the year would be higher by Rs 6,83,060/-

Qualified Opinion

In our opinion, and to the best of our information and according to the explanations given to us, **except for the effect of the matters described in the basis of qualified opinion paragraph as mentioned above and read together with other notes**, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case the Balance Sheet, of the state of affairs of the Company as at March31, 2014
- b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

Other Matter

1. We draw attention to the following facts
 - a) During the year under review there was no activity of growing mushrooms (the company has not carried on any business activity since February 2011).
 - b) There are only 2 employees on the Company's Roll as on 31.03.2014.
 - c) The TNEB has disconnected power supply to the Company's Plant since 3 years. Due to Non availability of Power and due to Non Maintenance of the Plant & Machinery since last 3 years more importantly it's machinery, buildings, boundary fencing, and other infrastructure have been badly deteriorated.
 - d) **During the year under review, the Company has sold fixed assets (Boiler, Cooling Tower, Growing room racks etc) whose original purchase cost was Rs 1,23,65,846/- and the depreciated value was Rs 36,31,959/.**
 - e) **The total value of Inventories as on 31.3.14 was Rs 15,71,432/-. This includes raw materials, Stores & Spares and other Inventories. As there is no production activity since February 2011, the inventories of the Company are old and obsolete**

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, 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, proper books account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statements dealt with by this Report are in agreement with the books of account;
- d) Except for the matter described in the Basis of qualified opinion paragraph, In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statements dealt with by this report comply with the Accounting Standards notified under the Companies Act read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- e) On the basis of written representation received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Place : Chennai
Date : 23.07.2014

For K.Mahaveer & Co.,
Chartered Accountants,
Firm Registration No 006740S

Sd/-

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

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements in the Independent Auditor's Report of even date to the members of M/s Saptarishi Agro Industries Limited on the financial statements for the year ended March 31, 2014

- (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 of the assets. No material discrepancies were noticed on such verification.
 - (c) Some of the Fixed Assets have been disposed off during the year, In our opinion and according to the information and explanation give to us, the disposal does not constitute a substantial part of fixed assets of the Company.
- (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 amount 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.
- (v) 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.
- (vi)
 - (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.

- (vii) 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.
- (viii) In our opinion the company does not have an internal audit system commensurate with the size and nature of its business.
- (ix) 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.
- (x)
 - (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 a 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.
- (xi) According to the information and explanations furnished to us, the Company has accumulated carried forward losses are Rs.28, 43, 64,206 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.
- (xii) According to the information furnished to us, the company has not taken any working capital loans from the bank.
- (xiii) 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.
- (xiv) 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.
- (xv) 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.
- (xvi) 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.
- (xvii) According to the information and explanations furnished to us, the company has not taken any term loans during the year.
- (xviii) 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.
- (xix) 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.



- (xx) According to the information and explanation given to us during the period covered by our audit report, the company had not issued debentures
- (xxi) According to the information and explanation given to us during the period covered by or audit report the company had not raised any money by public issue.
- (xxii) 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.

Place: Chennai
Date : 23.07.2014

For K.Mahaveer & Co.,
Chartered Accountants,

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



**SAPTARISHI AGRO INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH -2014**

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| Particulars | Note | As at 31.03.2014 | As at 31.03.2013 |
|---|------|---------------------|---------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 2 | 340,399,420 | 340,399,420 |
| Reserves and surplus | 3 | (282,864,206) | (275,337,199) |
| Money Received against share warrants | | - | - |
| | | 57,535,214 | 65,062,221 |
| Share Application Money -Pending Allotment | | | |
| Non-current liabilities | | | |
| Long-term borrowings | | - | - |
| Deferred tax liabilities (Net) | | - | - |
| Other long term liabilities | | - | - |
| Long-term provisions | 4 | 140,931 | 290,625 |
| | | 140,931 | 290,625 |
| Current liabilities | | | |
| Short-term Borrowings | 5 | 465,085 | 465,085 |
| Trade payables | 6 | 4,544,149 | 5,585,445 |
| Other current liabilities | 7 | 2,265,094 | 4,133,964 |
| Short-term provisions | 8 | 138,663 | 106,167 |
| | | 7,412,991 | 10,290,661 |
| TOTAL | | 65,089,136 | 75,643,507 |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 9 | 56,924,310 | 65,489,260 |
| Intangible assets | | - | - |
| Capital work-in-progress | | - | - |
| Intangible assets under development | | - | - |
| Non-current investments | | - | - |
| Deferred Tax Asset(Net) | | - | - |
| Long-term loans and advances | 10 | 2,814,635 | 2,718,435 |
| Other Non-current Assets | 11 | 38,951 | 74,951 |
| | | 59,777,896 | 68,282,646 |
| Current assets | | | |
| Current investments | | - | - |
| Inventories | 12 | 1,571,432 | 1,755,398 |
| Trade receivables | 13 | 1,902,729 | 2,070,757 |
| Cash and cash equivalents | 14 | 88,442 | 1,557,318 |
| Short-term loans and advances | 15 | 1,504,395 | 1,749,170 |
| Other current assets | 16 | 244,242 | 228,218 |
| | | 5,311,240 | 7,360,861 |
| TOTAL | | 65,089,136 | 75,643,507 |
| Significant Accounting Policies | 1 | | |
| Notes on Accounts | 24 | | |

The accompanying notes 1-24 form an integral part of these financial statements.

As per our report of even date

For and on behalf of the Board

For K Mahaveer & co.

Chartered Accountants

Sd/-

K Mahaveer

Proprietor

(Mem. No 203601)

Firm Reg.No 006740S

Sd/-

DILSHER SINGH
MANAGING DIRECTOR

Sd/-

ARVIND KALRA
DIRECTOR

Sd/-

SUDHIR SINGHI
DIRECTOR

Sd/-

R P TEWARI
DIRECTOR

Place : Chennai

Date : 23.07.2014



SAPTARISHI AGRO INDUSTRIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH -2014

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| Particulars | Note | 31.03.2014 | 31.03.2013 |
|--|------|--------------------|---------------------|
| Revenue from operations | 17 | 1,041,423 | 187,500 |
| Less: Excise Duty | | - | - |
| | | 1,041,423 | 187,500 |
| Other income | 18 | 1,125,014 | 913,006 |
| Total Revenue | | 2,166,437 | 1,100,506 |
| Expenses: | | | |
| Cost of Materials Consumed | | 183,965 | - |
| Purchases of Stock in Trade | | | |
| Changes in inventories | | | - |
| Employee benefits expense | 19 | 1,126,603 | 1,760,604 |
| Finance costs | 20 | 50,220 | 318,661 |
| Depreciation and amortization expense | | 4,932,992 | 11,340,087 |
| Administration & other expenses | 21 | 2,950,246 | 2,385,014 |
| Prior period items (Net) | 22 | - | 798,340 |
| Total expenses | | 9,244,026 | 16,602,706 |
| Profit before exceptional and extraordinary items & tax | | (7,077,589) | (15,502,200) |
| Exceptional items | 23 | 449,418 | 7,098,128 |
| Profit before extraordinary items and tax | | (7,527,007) | (22,600,328) |
| Extraordinary Items | | | - |
| Profit before tax | | (7,527,007) | (22,600,328) |
| Tax expense: | | | |
| Current tax | | - | - |
| Current year | | | |
| Earlier years | | | |
| Deferred tax | | - | - |
| Current year | | | |
| Earlier years | | | |
| | | - | - |
| Profit for the year | | (7,527,007) | (22,600,328) |
| Earnings per equity share (Par value of Rs. 10/- each) | | | |
| Basic | | (0.22) | (0.66) |
| Diluted | | (0.22) | (0.66) |

The accompanying notes 1-24 form an integral part of these financial statements.

As per our report of even date

For K Mahaveer & co.

Chartered Accountants

For and on behalf of the Board

Sd/-

K Mahaveer

Proprietor

(Mem. No 203601)

Firm Reg. No 006740S

Sd/-

DILSHER SINGH
MANAGING DIRECTOR

Sd/-

ARVIND KALRA
DIRECTOR

Sd/-

SUDHIR SINGHI
DIRECTOR

Sd/-

R P TEWARI
DIRECTOR

Place : Chennai

Date : 23.07.2014



SAPTARISHI AGRO INDUSTRIES LTD
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2014

| Particulars | For the Year 31.03.2014 | For the Year 31.03.2013 |
|---|----------------------------|----------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| NET INCOME | (7527007) | (22600328) |
| Adjustments to reconcile net income to net cash provided by operating activities | | |
| Depreciation and amortization | 4932992 | 11340087 |
| Profit on sale of Assets | | |
| Interest paid | 50220 | 318661 |
| Operating Profit/(loss) before working capital changes | (2543795) | (10941580) |
| Interest Received | (160224) | (905128) |
| Changes in assets and liabilities (increase)/decrease in : | | |
| Inventories | 183966 | (79) |
| Trade & Other Receivable | 336579 | 13798392 |
| Trade Payables & Other Liabilities | (3027365) | (3708817) |
| Net Cash Provided by Operating Activities | (5210839) | (1757212) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Deferred Revenue Expenditure | | |
| Payments for purchase of property ,plant equipment | 0 | 0 |
| Increase Decrease in Investment | | |
| Sale of Fixed Assets/CWIP | 3631959 | 2511173 |
| Net Cash used in investing activities | 3631959 | 2511173 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Margin for Guarantee/Short Term Loan | | |
| Proceeds from Unsecured loans | 0 | 0 |
| Working Capital Borrowings/(Repayment) | | |
| Interest received | 160224 | 905128 |
| Interest paid | (50220) | (318661) |
| Net Cash Used in Financing Activities | 110004 | 586467 |
| Total increase/(decrease) in cash and cash equivalents | (1468876) | 1340428 |
| Cash and Cash equivalents at the beginning of the year | 1557318 | 216890 |
| Cash and Cash equivalents at the Ending of the year | 88442 | 1557318 |

As Per our report of even date
For K Mahaveer & co.
Chartered Accountants

Sd/-

K Mahaveer

Proprietor

(Mem. No 203601)

Firm Reg . No 006740S

Sd/-

DILSHER SINGH
MANAGING DIRECTOR

Sd/-

ARVIND KALRA
DIRECTOR

Sd/-

SUDHIR SINGHI
DIRECTOR

Sd/-

R P TEWARI
DIRECTOR

Place : Chennai

Date : 23.07.2014

NOTE 1:
NOTES ON ACCOUNTS
SIGNIFICANT ACCOUNTING POLICIES
A. 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:

- (i) Fixed assets are stated at the original cost inclusive of inward freight, incidental expenses related to acquisition and related pre-operational expenses.
- (ii) Depreciation on fixed assets has been provided on straight-line method of the rates prescribed under Schedule XIV of the Companies Act, 1956.
- (iii) 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:

- (i) Raw materials, Packing materials, Stores, Spares and Consumables – at cost on Weighted average method.
- (ii) Finished goods, Work-in-progress – Lower of the cost & net realizable 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.

E. Provisions, Contingent liabilities, and contingent assets:
Provisions are recognized only when:

- a) The company has a present obligation as a result of past events.
- b) A probable outflow of resources is expected to settle the obligation and
- c) The amount of obligation can be reliably estimated.

Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the notes for :

- (i) Present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made and
- (ii) Possible obligation arising from past events which will be confirmed only by future events not wholly within the control of the company.

Contingent assets are neither recognized nor disclosed in the financial statements.

F. Earnings per share : Basic earning per share is computed by dividing the net profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) by weighted average number of equity shares outstanding during the period.

G. Cash Flow statement: Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financial activities of the company are segregated based on the available information.

H. Employee Benefits

Disclosures in terms of AS-15 are

- 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. 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.

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.

Company has only 2 employees on its rolls as on 31.03.2014.

- The name of the Small Scale Industrial Undertakings to whom the Company owes outstanding 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 per the information available with the management as on 31.03.2014, 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.

J. RELATED PARTY DISCLOSURE

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

Related parties/ Enterprises

- Calibre Rehabs Ltd
- Agro Dutch Industries Ltd

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

Key Management Personal:

- Mr Malvinder Singh - Chairman
- Mr.Dilsher Singh - Managing Director

RELATED PARTY TRANSACTIONS

Rs.

| Sl. No. | Nature of Transactions | 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 | Sale 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 | Nil |
| 5 | Outstanding as on 31.03.14 Creditors | Nil | Nil | Nil | Nil |
| | a. Debit Including Loans & Advances | Nil | Nil | Nil | Rs. 15000 |
| 6 | Sitting Fees paid to DIRECTOR ARVIND KALRA | | | | |



Note No. 2 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| | As at 31.03.2014 | As at 31.03.2013 |
|---|---------------------|---------------------|
| SHARE CAPITAL | | |
| Equity Share Capital | | |
| AUTHORISED | | |
| 3,60,00,000 shares of par value of Rs.10/- each (Previous year 3,60,00,000 shares of par value of Rs.10/- each) | 360,000,000 | 360,000,000 |
| ISSUED, SUBSCRIBED AND FULLY PAID-UP | | |
| 3,40,22,042 shares of par value of Rs.10/- each (Previous year 3,40,22,042 shares of par value of Rs.10/- each) | 340,220,420 | 340,220,420 |
| FORFEITED SHARES | | |
| 35,800 shares of par value of Rs.5/- each (Previous year 35,800 shares of par value of Rs.5/- each) | 179,000 | 179,000 |
| | 340,399,420 | 340,399,420 |

- During the year, the company has not issued / bought back any shares.
- The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.
- Following Shareholders hold equity shares more than 5% of the total equity shares of the Company and no other share holder of the Company holds more than 5 percent of the equity shares.

Name of the Company

| <u>Name of the Company</u> | 31.03.2014 | | 31.03.2013 | |
|--|--------------------|-----------|--------------------|-----------|
| | Share Capital (Rs) | % Holding | Share Capital (Rs) | % Holding |
| M/S CALIBRE REHABS LIMITED | 253,687,770 | 74.57 | 253,687,770 | 74.57 |
| No. of Shares 2,53,68,777 of par value of Rs.10/- each (Previous year No. of Shares 2,53,68,777 of par value of Rs.10/- each) | | | | |
| TAMILNADU INDUSTRIAL DEVELOPMENT CORPORATION LTD | 29,900,000 | 8.79 | 29,900,000 | 8.79 |
| No. of Shares 29,90,000 of par value of Rs.10/- each (Previous year No. of Shares 29,90,000 of par value of Rs.10/- each) | | | | |

Notes forming part of the financial statement for the year ended 31st March 2013

Note No. 3 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| | As at 31.03.2014 | As at 31.03.2013 |
|--|----------------------|----------------------|
| RESERVES AND SURPLUS | | |
| Reserves | | |
| Capital Reserve - Government Subsidy | 1,500,000 | 1,500,000 |
| As per last Balance Sheet | 1,500,000 | 1,500,000 |
| Surplus in the Statement of Profit & Loss | | |
| As per last balance sheet | (276,837,199) | (254,236,871) |
| Add: Loss for the year from Profit & Loss Statement | (7,527,007) | (22,600,328) |
| | (284,364,206) | (276,837,199) |
| Total | (282,864,206) | (275,337,199) |



Note No. 4 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| As at | 31.03.2014 | 31.03.2013 |
|----------------------------------|----------------|----------------|
| LONG TERM PROVISIONS | | |
| Provision for employee benefits | | |
| As per last balance sheet | 290,625 | 3,816,152 |
| Additions during the year | 125,581 | 1,233,671 |
| Amounts paid during the year | 275,275 | 4,759,198 |
| Amounts reversed during the year | - | - |
| Total | 140,931 | 290,625 |

Note No. 5 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| As at | 31.03.2014 | 31.03.2013 |
|------------------------------|-------------------|-------------------|
| SHORT-TERM BORROWINGS | | |
| Unsecured | | |
| Inter corporate loan | 465,085.00 | 465,085.00 |
| Total | 465,085.00 | 465,085.00 |

Note No. 6 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| As at | 31.03.2014 | 31.03.2013 |
|------------------------|---------------------|---------------------|
| TRADE PAYABLES | | |
| For Goods and Services | 4,544,149.00 | 5,585,445.00 |
| Total | 4,544,149.00 | 5,585,445.00 |

Micro, Small and Medium Enterprises as required by MSMED Act, 2006 have determined to the extent such parties have been identified on the basis of information available with the company. There are no over dues to parties on account of principal amount and/ or interest and accordingly no addition disclosures have been made.

Note No. 7 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| As at | 31.03.2014 | 31.03.2013 |
|---|---------------------|---------------------|
| OTHER CURRENT LIABILITIES | | |
| Advances from customers and others | 1,222,765.00 | 1,099,265.00 |
| Other Payables | 1,039,998.00 | 2,969,774.00 |
| Tax deducted at source and other statutory dues | 2,331.00 | 64,925.00 |
| Total | 2,265,094.00 | 4,133,964.00 |



Note No. 8 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| As at | 31.03.2014 | 31.03.2013 |
|----------------------------------|-------------------|-------------------|
| SHORT TERM PROVISIONS | | |
| Provision for employee benefits | | |
| As per last balance sheet | 106,167.00 | 253,190.00 |
| Additions during the year | 700,410.00 | 1,337,588.00 |
| Amounts paid during the year | 667,914.00 | 1,484,611.00 |
| Amounts reversed during the year | - | - |
| Total | 138,663.00 | 106,167.00 |
| Salary & Wages | | |
| Opening | 96,292.00 | 228,373.00 |
| Provisions Total | 615,122.00 | 869,715.00 |
| Paid Total | 589,806.00 | 1,001,796.00 |
| | 121,608.00 | 96,292.00 |
| EPF | | |
| Opening | 9,875.00 | 24,817.00 |
| Total Provision for the Year | 85,288.00 | 467,873.00 |
| Total paid Amount for the Year | 78,108.00 | 482,815.00 |
| Total | 17,055.00 | 9,875.00 |

Note No. 9 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

NON-CURRENT ASSETS

TANGIBLE ASSETS

| | Gross Block | | | | Depreciation/Amortisation | | | | Net Block | |
|------------------------|---------------------|-----------|----------------------------|---------------------|---------------------------|------------------|---------------------------|--------------------|---------------------|---------------------|
| | As at 01.04.2013 | Additions | Deductions/ Adjustments | As at 31.03.2014 | Upto 01.04.2013 | For the year | eductions/ Adjustments | Upto 31.03.2014 | As at 31.03.2014 | As at 31.03.2013 |
| Land : | | | | | | | | | | |
| Freehold | 4,903,694 | - | - | 4,903,694 | - | - | - | - | 4,903,694 | 4,903,694 |
| Building : | | | | | | | | | | |
| Main plant | 76,127,275 | - | - | 76,127,275 | 47,263,578 | 2,535,684 | - | 49,799,262 | 26,328,013 | 28,863,697 |
| Others | 14,003,630 | - | - | 14,003,630 | 4,184,175 | 227,632 | - | 4,411,807 | 9,591,823 | 9,819,455 |
| Plant and machinery | 149,523,717 | - | 12,215,846 | 137,307,871 | 131,223,066 | 1,540,538 | 8,583,887 | 124,179,717 | 13,128,154 | 18,300,651 |
| Furniture and fixtures | 2,417,186 | - | - | 2,417,186 | 2,417,186 | - | - | 2,417,186 | - | - |
| Vehicles | | | | | | | | | | |
| Owned | 1,879,318 | - | 150,000 | 1,729,318 | 1,680,437 | 39,092 | 150,000 | 1,569,529 | 159,789 | 198,881 |
| Office equipment | 14,297,677 | - | - | 14,297,677 | 10,894,794 | 590,046 | - | 11,484,840 | 2,812,837 | 3,402,883 |
| Total | 263,152,497 | - | 12,365,846 | 250,786,650 | 197,663,236 | 4,932,992 | 8,733,887 | 193,862,341 | 56,924,310 | 65,489,260 |
| Previous year | 266,931,404 | 36,808 | - | 266,968,212 | 176,224,631 | 11,403,059 | - | 187,627,690 | 79,340,522 | 90,706,773 |

NOTES:

INTANGIBLE ASSETS

| | Gross Block | | | | Depreciation/Amortisation | | | | Net Block | |
|---------------|---------------------|-----------|----------------------------|---------------------|---------------------------|-----------------|----------------------------|--------------------|---------------------|---------------------|
| | As at 01.04.2013 | Additions | Deductions/ Adjustments | As at 30.03.2014 | Upto 01.04.2013 | For the year | Deductions/ Adjustments | Upto 31.03.2014 | As at 31.03.2014 | As at 31.03.2013 |
| Software | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - |
| Previous year | - | - | - | - | - | - | - | - | - | - |

NOTES:



Note No. 10 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| As at | 31.03.2014 | 31.03.2013 |
|--|---------------------|---------------------|
| LONG TERM LOANS AND ADVANCES | | |
| (Considered good, unless otherwise stated) | | |
| Unsecured | | |
| Deposit with government Authorities (TNEB) | 2,814,635.00 | 2,718,435.00 |
| Total | 2,814,635.00 | 2,718,435.00 |

Note No. 11 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| As at | 31.03.2014 | 31.03.2013 |
|--|------------------|------------------|
| OTHER NON-CURRENT ASSETS | | |
| Preliminary and Public Issue Expenses | | |
| (To The Extent Not Written of or Adjusted) | 38,951.00 | 74,951.00 |
| | 38,951.00 | 74,951.00 |

Note No. 12 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| As at | 31.03.2014 | 31.03.2013 |
|--|---------------------|---------------------|
| INVENTORIES | | |
| RAW MATERIAL | 164,400.00 | 283,289.00 |
| WORK IN PROGRESS | - | - |
| FINISHED GOODS | - | - |
| STOCK IN TRADE | - | - |
| STORES AND SPARES | 663,720.00 | 728,797.00 |
| LOOSE TOOLS | - | - |
| OTHERS | 743,312.00 | 743,312.00 |
| | 1,571,432.00 | 1,755,398.00 |
| Less: Provision for shortages | | |
| Provision for obsolete/ unserviceable items/ diminution in value of surplus inventory | | |
| Total | 1,571,432.00 | 1,755,398.00 |

- a) Inventory items have been valued considering the significant accounting policy no.11 disclosed in Note no. 1 to these financial statement.
- b) Other inventories include items of steel, cement, ash bricks etc.



Note No. 13 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| As at | 31.03.2014 | 31.03.2013 |
|---|---------------------|---------------------|
| TRADE RECEIVABLES | | |
| (Considered good, unless otherwise stated) | | |
| Debts outstanding for a period exceeding six months | 1,902,729.00 | 2,070,757.00 |
| Unsecured, considered doubtful | | |
| Less: Provision for bad & doubtful debts* | | |
| | <u>1,902,729.00</u> | <u>2,070,757.00</u> |
| Other debts-Unsecured | - | - |
| Total | <u>1,902,729.00</u> | <u>2,070,757.00</u> |

Note No. 14 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| As at | 31.03.2014 | 31.03.2013 |
|------------------------------------|------------------|---------------------|
| CASH & Cash equivalents | | |
| Cash & Bank Balances | | |
| Balances with banks | 23,219.00 | 1,505,315.00 |
| Cash on hand | 65,223.00 | 52,003.00 |
| Total | <u>88,442.00</u> | <u>1,557,318.00</u> |

Note No. 15 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| As at | 31.03.2014 | 31.03.2013 |
|--|---------------------|---------------------|
| SHORT TERM LOANS AND ADVANCES | | |
| (Considered good, unless otherwise stated) | | |
| Unsecured | | |
| Advance to Employees | 14,500.00 | 16,500.00 |
| Advance to suppliers | 213,870.00 | 539,588.00 |
| Balances with Government Authorities | 992,751.00 | 992,751.00 |
| Prepaid Expenses | 116,194.00 | 3,020.00 |
| Others | 167,080.00 | 197,311.00 |
| Total | <u>1,504,395.00</u> | <u>1,749,170.00</u> |



Note No. 16 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| As at | 31.03.2014 | 31.03.2013 |
|-----------------------------|-------------------|-------------------|
| OTHER CURRENT ASSETS | | |
| Tax Deducted at Source | 244,242.00 | 228,218.00 |
| Total | 244,242.00 | 228,218.00 |

Note No. 17 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| For the period ended | 31.03.2014 | 31.03.2013 |
|--------------------------------|---------------------|-------------------|
| REVENUE FROM OPERATIONS | | |
| Sales | | |
| LOCAL SALES | 1,041,423.00 | 187,500.00 |
| Total | 1,041,423.00 | 187,500.00 |

Note No. 18 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| For the period ended | 31.03.2014 | 31.03.2013 |
|-----------------------------|---------------------|-------------------|
| OTHER INCOME | | |
| Interest | | |
| From others To Specify : | | |
| Electricity Deposit | 160,224.00 | 154,814.00 |
| Corporate Advances | - | 700,992.00 |
| Income Tax Refund | - | 49,322.00 |
| Sundry balance Written Back | 889,790.00 | 7,878.00 |
| Other Income | 75,000.00 | - |
| Total | 1,125,014.00 | 913,006.00 |

Note No. 19 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| For the period ended | 31.03.2014 | 31.03.2013 |
|---|---------------------|---------------------|
| EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, wages and Bonus | 901,318.00 | 1,004,886.00 |
| Contribution to provident and other funds | 45,324.00 | 260,125.00 |
| Gratuity and Leave Encashment | 125,581.00 | 418,908.00 |
| Staff welfare expenses | 54,380.00 | 76,685.00 |
| Total | 1,126,603.00 | 1,760,604.00 |



Note No. 20 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| For the period ended | 31.03.2014 | 31.03.2013 |
|----------------------|------------------|-------------------|
| FINANCE COSTS | | |
| Interest on: | | |
| Interest -Bank | - | - |
| Other - Interest | 47,282.00 | 312,546.00 |
| Bank Charges | 2,938.00 | 6,115.00 |
| Total | 50,220.00 | 318,661.00 |

Note No. 21 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| For the period ended | 31.03.2014 | 31.03.2013 |
|---|---------------------|---------------------|
| ADMINISTRATION & OTHER EXPENSES | | |
| MANUFACTURING EXPENSES | | |
| POWER & FUEL | 687,710.00 | 617,655.00 |
| STORES, SPARES & CONSUMABLES | - | 7,878.00 |
| REPAIRS & MAINTENANCE | - | - |
| - BUILDING | - | - |
| - MACHINERY | - | - |
| - OTHERS | 74,401 | 181,837.00 |
| LABOUR CHARGES FOR SCRAP | - | 99,910.00 |
| MACHINERY HIRE CHARGES | 2,100.00 | - |
| WEIGHING CHARGES | 980.00 | 1,380.00 |
| | 765,191.00 | 908,660.00 |
| ADMINISTRATIVE EXPENSES | | |
| Directors sitting fees | 63,000.00 | 72,000.00 |
| RATES & TAXES | 108,627.00 | 165,744.00 |
| RENT | 60,171.00 | 57,162.00 |
| TRAVELING & CONVEYANCE | 296,969.00 | 300,531.00 |
| TELEPHONE | 5,873.00 | 4,631.00 |
| POSTAGE & TELEGRAM | 12,269.00 | 8,306.00 |
| INSURANCE | 15,139.00 | 15,122.00 |
| AUDITORS REMUNERATION & EXPENSES | 45,000.00 | 45,000.00 |
| FILING & LISTING FEES | 56,554.00 | - |
| MISCELLANEOUS EXPENSES | 1,085,375.00 | 393,440.00 |
| PROFESSIONAL CHARGES | 45,945.00 | 189,542.00 |
| PRINTING & STATIONERY | 15,774.00 | 21,938.00 |
| AGM EXPENSES | 338,359.00 | 166,938.00 |
| | 2,149,055.00 | 1,440,354.00 |
| SELLING EXPENSES | | |
| SELLING EXPENSES | - | - |
| | - | - |
| TOTAL MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES | | |
| | 2,914,246.00 | 2,349,014.00 |
| Prior Period Expenses Written off | 36,000.00 | 36,000.00 |
| Total | 2,950,246.00 | 2,385,014.00 |



Note No. 22 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| For the period ended | 31.03.2014 | 31.03.2013 |
|---------------------------------|------------|-------------------|
| PRIOR PERIOD ITEMS (NET) | | |
| EXPENDITURE | | |
| Bonus | - | 224,136.00 |
| Gratuity | - | 537,687.00 |
| Listing Fees | - | 36,517.00 |
| Total | - | 798,340.00 |

Note No. 23 to the Financial Statements

(All amounts are in Indian Rupees, unless otherwise stated)

Figures in Rs.

| For the Period Ended | 31.03.2014 | 31.03.2013 |
|------------------------------|-------------------|---------------------|
| Exceptional items | | |
| Ex-gratia Lumpsum to workers | - | 2,200,000.00 |
| Employees Compensation | - | 3,685,455.00 |
| Loss on Sale of Fixed Assets | 449,418.00 | 1,212,673.00 |
| Total | 449,418.00 | 7,098,128.00 |

NOTE 24:

Other Notes

Commitments

1. SALES TAX

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.

2. CONTINGENT LIABILITY

- a)
 - (i) Five Creditors have filed Civil cases against the Company for recovery of their dues which are disputed by Company. Company has not provided /ascertained the liabilities on this account.
 - (ii) One of the previous employee has filed a Civil case against the Company which are disputed by the Company. The estimated amount of which is Rs. 230000/-. Company has not made provisions for this.
 - (iii) Company has filed a case for recovery of outstanding on one of its customers namely M/s Heavenly Mushrooms, Bangalore and case hearings are in final stage.
- b) A demand of Rs. 6,83,060/- which was raised by Tamilnadu Pollution Control Board towards consent fees and Water & Air Cess during previous year, said amount has been disputed by the company. Company has not made any provision for the said liability in the books on this account. No communication is received from the TNPCB during the year.
- c) Balances of some of the Trade receivable, advances to suppliers, Trade payables, and Advances from customers are subject to confirmation.



Mushroom growing process is biological and continuous in nature and it needs a supportive climate. In view of this management has considered option to shift the unit to a cooler location in hills and restart mushroom growing activity in the hills. This will insulate crops from risk of temperature rise due to failure or inadequate and irregular electricity supply. In order to establish a setup at a suitable location in the hills, share holders have given approval through postal ballot. An ordinary resolution is passed to sell assets at the existing location pursuant to Section 192A of the companies Act, 1956.

3. AUDITORS' REMUNERATION

(Amount in Rs)

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

4. REMUNERATION TO DIRECTORS

Sitting Fees

(Amount in Rs)

| Name of the Director | Status | CURRENT YEAR | PREVIOUS YEAR |
|----------------------|-----------------------------|--------------|---------------|
| Arvind Kalra | Non Executive & Independent | 18000 | 15000 |
| Dr. R.P. Tewari | Non Executive & Independent | 27000 | 27000 |
| Mr. Sudhir Singh | Non Executive & Independent | 18000 | 30000 |

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

(Amount in Rs.)

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

6. Additional information pursuant to the provision of paragraphs 3, 4C & 4D of part II of Schedule VI of the Companies Act, 1956.

A. DETAILS 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 Rs. | Closing Qty. | Closing Value Rs. |
|----------------|------------|------------|------------|-----------------|--------------|-------------------|
| Fresh Mushroom | Mts | 0* (0) | 0 (0) | 0 (0) | | 0 {0} |
| Total | Mt. | 0 (0) | 0 (0) | 0 (0) | | 0 {0} |

*There was no regular production during the year. Income of Rs. 10,41,423 is from the sale spent compost as manure.

Particular in respect of Production and sales

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

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

E. (I) RAW MATERIALS CONSUMED

| PARTICULARS | UOM | CURRENT YEAR | | PREVIOUS YEAR | |
|------------------------------------|-----|--------------|---------------|---------------|-------------|
| | | QUANTITY | VALUE (Rs.) | QUANTITY | VALUE (Rs.) |
| Paddy straw | Mt. | Nil | 0 | Nil | 0 |
| Gypsum | Mt. | Nil | 0 | Nil | 0 |
| Coir Pith | Mt. | Nil | 0 | Nil | 0 |
| LLDPE Bags | Kg | Nil | 0 | Nil | 0 |
| Chicken Manure | MT | Nil | 0 | Nil | 0 |
| Ammonium sulphate | Kg | Nil | 0 | Nil | 0 |
| Spawn | Kg | Nil | 0 | Nil | 0 |
| Others (Including Frieght Inwards) | | | 183965 | Nil | 0 |
| Total | - | Nil | 183965 | Nil | 0 |

(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 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.

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

8. 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. | (7527007) | (22600328) |
| 6. | Profit/(Loss) per Share | Rs. | (0.22) | (0.66) |

9. Company has no other major activity during the year ended 31st March 2014. There was no production of mushrooms.
10. 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

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

sd/-
Dilsher Singh
Managing Director

Sd/-
Arvind Kalra
Director

sd/-
Sudhir Singhi
Director

Sd/-
R.P. Tewari
Director

PLACE : Chennai
DATE : 23.07.2014



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 ofas my / our proxy to attend and vote for me / us on my / our behalf at the Seventeenth Annual General Meeting of the Company to be held on

Monday, the 29th day of September 2014 at 10.00 a. m and at any adjournment hereof.

Signed this day of 2014.

(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 **Seventeenth Annual General Meeting of the Company to be held on**

Monday, the 29th day of September 2014 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 - 27565282**