

# WADI

AGRO  
DISTRIBUTION  
INDUSTRIES  
LIMITED

## ANNUAL REPORT 2008-09



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**BOARD OF DIRECTORS**

Shri Malvinder Singh

Chairman & Managing Director

Shri Gurpreet Singh

Executive Director

Col. Satinder Singh (Retd.)

Executive Director

Shri Dilsher Singh

Director

Dr. H. S. Garcha

Director

Shri S. R. K. Agnihotri

Director

Shri B. B. Huria

Director

Shri Arvind Kalra

Director

Shri Ajay Arora

Director

Shri P. K. Sethi

Nominee Director (IDBI Bank Ltd.)

**VICE PRESIDENT (FINANCE) &  
COMPANY SECRETARY**

Shri Vivak Atri

**REGISTERED OFFICE**

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

**BANKERS / TERM LENDERS**

Union Bank of India

Bank of India

State Bank of Patiala

Federal Bank Ltd.

Axis Bank Ltd.

State Bank of Indore

Kotak Mahindra Bank Ltd.

ICICI Bank Ltd.

IDBI Bank Ltd.

State Bank of Hyderabad

Allahabad Bank

Barclays Bank

DEG Germany

M & T Bank, USA

**WORKS**

- Village Tofapur, Near Lalru,  
Distt. S.A.S. Nagar (Mohali) (Punjab)
- Village Bhagwanpura, Barwala Road, Dera Bassi  
Distt. S.A.S. Nagar, (Mohali) (Punjab)
- Village Kolambakkam, Padlem Sugar Factory Road,  
Post Pazhayanoor, Chennai (TN)

**REGISTRAR & SHARE TRANSFER AGENTS**

M/s Karvy computershare Pvt. Ltd.

Plot No. 17-24, Vithal Rao Nagar,

Madhapur, Hyderabad - 500081

**AUDITORS**

M/s Suresh Mittal & Associates,

Chartered Accountants

16-A Bank Colony,

Behind Amar Hospital,

Patiala

**DIRECTORS' REPORT**

The Directors are pleased to present the 17<sup>th</sup> Annual Report and Audited Statements of Accounts for the period ended on 31<sup>st</sup> March, 2009.

Particulars	(Rs. in lacs)	
	2008-09	2007-08
Net Sales/Income	13841.20	20329.61
Other Income	822.61	1025.15
Increase / ( Decrease ) in Stock	1796.58	2254.10
Total Expenditure	16495.43	18339.01
Profit ( Loss ) before int /Tax/Dep	(35.04)	7289.83
Interest,	2900.20	2253.72
Depreciation	1452.22	1255.57
Misc Expenses W/o	41.45	44.44
Profit ( loss ) before Tax	(4429.00)	3716.07
Provision for Taxation	25.11	15.00
Profit after Current Tax	(4454.11)	3701.07
Provision for deferred Tax	1740.28	964.01
Profit/Loss after Tax	(2713.83)	2737.08
Previous year adjustments	724.16	412.79
Net Profit/Loss After tax	(3437.99)	2324.27

**OPERATIONS**

During the year under review your company achieved net sales of Rs.138.41 Crores (previous year Rs.203.30 Crores) and incurred net loss of Rs. 34.38 Crores. The performance during the year had been severely affected mainly on account of downturn in US. The price of canned mushroom has gone down drastically in the global market.

During the year the company has proposed to restructure its total debt through the CDR Mechanism of the RBI which interalia provides for reschedulement of repayments, additional finance, saving in financial cost, reduced working capital margin, operational efficiency and strengthening the overall competitive position of the Company.

**CHENNAI PLANT**

The Unit at Vill. Kolambakkam, Post. Pazhayanoor (Chennai) TN, being set up to manufacture Cans, Easy-open-End and Six Color printing line is nearing completion and expected to be commissioned by end of December 2009. The said unit had cost overrun of Rs. 20 Crores, for which Rs. 15 Crores has been requested for finance by existing lenders and balance being funded by promoters by introduction of fresh capital.

**DIVIDEND**

Your Directors do not recommend the dividend due to fund constraints.

**AUDITORS**

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

**DIRECTORS**

In accordance with the company's Articles of Association, Sh. Arvind Kalra, and Dr. H.S. Garcha, retire by rotation & being eligible, offers himself for re-appointment.

**ISSUE OF CAPITAL**

The company has issued 2,00,00,000 (Two Crores) fully convertible warrants of Rs. 10/- each at a price of Rs.10/- per warrant, to be converted into one equity shares, on 13<sup>th</sup> June, 2009.

**PARTICULARS OF EMPLOYEES**

The information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is given as Annex I to this report..

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required under section 217(2AA) of the Companies Act, 1956, you Directors confirm

- i) that in the preparation of accounts for the period ended 31<sup>st</sup> March, 2009, the applicable Accounting Standards had been followed and there are no material departures;
- ii) that the selected accounting policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the year end and profit of the Company for that period;
- iii) that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- iv) that the accounts have been prepared on a going-concern basis.

**AUDIT COMMITTEE**

The Audit Committee comprises of Sh. Arvind Kalra, Sh. S.R.K. Agnihotri and Dr H.S Garcha, Directors of the Company as members. The constitution is in accordance with Section 292A of the Companies (Amendment) Act, 2000.

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

**CORPORATE GOVERNANCE**

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

**LISTING OF SHARES & SEBI REGULATION**

The Equity shares of the company are listed on The Stock Exchange Mumbai & National Stock Exchange of India Ltd., Mumbai.

The listing fee for 2008-2009 has been paid on time and there being neither delisting nor suspension of shares from trading during the period under review.

**INSURANCE**

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

**DEPOSITS**

The Company has not invited any deposits from the public.

**ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation to its stakeholders, bankers, statutory authorities and the business associates for their continuing guidance and support for the growth of the Company. The Directors also wish to place on record their appreciation for the devoted services rendered by the Executives, Staff and the Workers of the Company.

For and on behalf of the Board

-sd-

Malvinder Singh

Chairman & Managing Director

Place : Village Tofapur

Dated : 11.09.2009

**ANNEXURE TO THE DIRECTORS' REPORT**

**DISCLOSURE OF PARTICULARS UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULAR OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2009.**

Name of Employer	Designation/ Nature of Service	Expertise (years)	Date of Service	Qualification	Remuneration (rupees)	Age (yrs)	Previous Employment/ position held.
A. Employed throughout the period and in receipt of remuneration aggregating Rs.24,00,000 or more per annum.							
Mr. Malvinder Singh	Chairman & Managing Director	28	22.06.1992	B.E (Mech.)	46,80,000	55	Managing Director Vishwa Calibre Builders Pvt. Ltd.
Mr. Gurpreet Singh	Executive Director	16	22.06.1992	B.E (Civil)	39,00,000	41	Director Vishwa Calibre Builders. Pvt. Ltd.

**i) Conservation of Energy**

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

**ii) Technology Absorption : Not Applicable**

**iii) Foreign Exchange Earning and Outgo**

Earnings	Rs.	1276.51 Lacs
Interest	Rs.	0.59 Lacs
Outgo:		
Capital A/c	Rs.	715.32 Lacs
Raw Material & Others	Rs.	3169.76 Lacs
Spares & Components	Rs.	40.24 Lacs
Travelling	Rs.	26.37 Lacs
Interest & Financial Charges	Rs.	383.09 Lacs
Others (Legal Fee etc.)	Rs.	67.85 Lacs
Repayment of term loans	Rs.	276.59 Lacs

**MANAGEMENT DISCUSSIONS & ANALYSIS REPORT**

The principal business of the Agro Dutch Industries Limited is growing of white button mushrooms.

**a) Industry Scenario and Outlook**

The company has been exporting more than 70 percent of its product to U.S. for the last eight years. The business down turn and credit crunch in U.S. resulted into big drop in U.S. canned mushroom imports, starting with December 2008. Consequently price of canned mushroom dropped from \$28 per carton to \$12.50 FOB in March 2009. The data published by United States Department of Agriculture shows that there is 35.91 percent decline in January to July period of 2009 as compared to 2008. As per the indications given by most of the stores the consumption of canned mushroom has not gone down but the importers have been utilizing their inventories, which typically run eight to nine months. This has resulted in very low inventory positions in the market and surge in purchasing is expected before end of the year. The prices have already recovered from the rock bottom of \$12.50 FOB to \$15.50 in the third week of September, 2009.

**b) Opportunities and Threats**

The company is largest integrated mushroom growing and exporting company. The company has optimized cost of production by adopting various cost saving measures. Further abundant availability of raw material, low cost labour and strong entrepreneurial skills have always been the strength of the company.

Since the company is a 100% EOU, with concentration of exports to U.S., any negative development in U.S economy may affect the company's business plans. Further anti-dumping policy and appreciation of rupee continues to be major cause of concern.

**c) Segment Review and Analysis**

Segment has been identified in line with the Accounting Standard on Segment reporting (AS-17) taking into account the organization structure as well as the differential risks and returns of these products.

(a)	Business Segment	Type of Products
(b)	Can Unit	Open type Sanitary cans and Ends for food Packaging.

**d) Risks and concerns**

Being agro based industry, any crop failure or shortage of raw material i.e. wheat straw, paddy straw, rice husk and chicken manure etc. may result in increase in cost of production which would affect the profitability of the company. Further, any change in food laws of Importing companies i.e. USA, Canada, Russia, Mexico, Israel etc. may affect the profitability of the company. The appreciation of Indian rupee is also a matter of concern of company, being a 100% EOU.

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

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 internal control system commensurate with the size of the company and nature of its business. The Company has internal control system for speedy compilation of accounts and management information reports and to comply with the applicable laws and regulations.

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

Relations between the Management and the Labour were cordial throughout the year under review.

**REPORT ON CORPORATE GOVERNANCE**

**INTRODUCTION**

The present chapter, plus information given under Management Discussion and Analysis and Shareholder Information constitute ADIL's compliance on corporate governance during 2008-09.

**COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE**

ADIL strongly believes that good corporate governance has an important role in enhancing shareholder value and management accountability. The Company is of the view that transparency in management, best board practices and empowerment of shareholders are essential for maximizing shareholder value. ADIL's guiding principles are focused on achieving the best standards of corporate governance and it is committed to attain the highest levels of transparency, accountability and equity in its dealings with investors, lenders, employees and all other stakeholders.

**COMPOSITION OF THE BOARD**

The Board of Directors of AGRO DUTCH INDUSTRIES LIMITED comprises of the Chairman and Managing Director, who is a promoter director, two executive directors, and seven non-executive directors including one Nominee Director. Details are given in Table 1.

**TABLE 1: DETAILS ABOUT THE BOARD OF DIRECTORS**

Name of Director	Promoter/Executive/ Non-Executive/ Independent	Number of Meetings held	Number of Meetings Attended	Whether Attended last AGM On	Number of Outside Directorships of Public Ltd Companies	Materials Significant Pecuniary or Business Relationship with the Company
Mr. Malvinder Singh	Promoter-Executive	11	11	Yes	7	NIL
Mr. Gurpreet Singh	Promoter-Executive	11	11	Yes	5	NIL
Mr A.P.S. Sandhu*	Executive Director	11	11	No	NIL	NIL
Col. Satinder Singh (Retd.)	Executive Director	11	11	Yes	2	NIL
Dr. H.S. Garcha	Independent-Non-Executive	11	4	Yes	NIL	NIL
Mr. S.R.K Agnihotri	Independent Non-Executive	11	11	Yes	NIL	NIL
Mr. B.B. Huria	Independent Non-Executive	11	3	No	2	NIL
Mr. Maninder Singh**	Independent-Non-Executive	11	0	No	NIL	NIL
Mr Arvind Kalra	Independent-Non-Executive	11	1	Yes	3	NIL
Mr. Ajay Arora	Independent Non- Executive	11	3	No	2	NIL
Mr Dilsher Singh	Director	11	1	No	2	NIL
Mr. P.K. Sethi***	Nominee Director	0	0	No	NIL	NIL

\* Mr. A.P.S. Sandhu has resigned from the Directorship of the Company w.e.f. 27.04.2009

\*\* Mr. Maninder Singh has resigned from the Directorship of the Company w.e.f. 27.02.2009

\*\*\* Mr. P.K. Sethi has been appointed as Nominee Director w.e.f. 03.03.2009.

**NUMBER OF BOARD MEETINGS**

During the year, 2008-09, 11 Board Meetings were held. These were on, 5<sup>th</sup> May 2008, 30<sup>th</sup> June 2008, 31<sup>st</sup> July 2008, 19<sup>th</sup> August 2008, 31<sup>st</sup> October 2008, 8<sup>th</sup> November 2008, 23<sup>rd</sup> December 2008, 12<sup>th</sup> January 2009, 31<sup>st</sup> January 2009, 12<sup>th</sup> February, 2009 & 3<sup>rd</sup> March 2009.

**DIRECTORS' ATTENDANCE RECORD & DIRECTORSHIPS**

Table 1 gives the composition of the Board of Directors, the category of Directors, their attendance record and the number of directorships.

**INFORMATION SUPPLIED TO THE BOARD**

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

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

There have been no materially relevant pecuniary relationships or transactions between the Company and its Directors for the year 2008-09.

**REMUNERATION OF DIRECTORS**

Table 2 gives full details of remuneration paid/payable to each director. During 2008-09, the Company did not advance any loans to any of its directors.

**TABLE 2: REMUNERATION PAID/PAYABLE TO DIRECTORS DURING 2008-2009 AND RELATIONSHIP, IF ANY**

Name of Director	Remuneration Paid/Payable in 2008-2009 (Rs.)				Total (Rs.)
	Sitting Fees	Salaries, Allowances	and Perquisites	Commission	
Mr. Malvinder Singh	Nil	Rs.46,80,000		Nil	Rs.46,80,000
Mr. Gurpreet Singh	Nil	Rs.39,00,000		Nil	Rs.39,00,000
Mr. A.P.S. Sandhu	Nil	Rs.11,70,000		Nil	Rs.11,70,000
Col. Satinder Singh (Retd.)	Nil	Rs.11,70,000		Nil	Rs.11,70,000
Dr. H.S. Garcha	Rs.12,000	Nil		Nil	Rs.12,000
Mr. S.R.K Agnihotri	Rs.51,000	Nil		Nil	Rs.51,000
Mr. B.B. Huria	Rs.9,000	Nil		Nil	Rs.9,000
Mr. Maninder Singh	Nil	Nil		Nil	Nil
Mr. Arvind Kalra	Rs.3,000	Nil		Nil	Rs.3,000
Mr. Ajay Arora	Rs.9,000	Nil		Nil	Rs.9,000
Mr. Dilsher Singh	Nil	Nil		Nil	Nil

**COMMITTEE OF DIRECTORS**

**AUDIT COMMITTEE**

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

**TABLE 3: DETAILS OF THE AUDIT COMMITTEE**

Name of the Member	No. of Meeting Held	No. of Meeting Attended	Sitting Fees (Rs.)
Mr. H.S. Garcha	4	4	12000
Mr. S.R.K Agnihotri	4	4	12000
Mr. Arvind Kalra	4	1	3000

**SHAREHOLDERS/INVESTORS GRIEVANCES AND SHARE/DEBENTURE TRANSFER COMMITTEE**

The committee consists of two directors viz Mr. S.R.K. Agnihotri & Mr. Gupreet Singh. This Committee deals with the transfer of shares, issue of duplicate share certificates, dematerialization of shares, investor grievances and complaints. The Board has appointed Mr. Vivek Atri, Company Secretary, as Compliance Officer. No valid transfer/transmission of share was pending as on 31<sup>st</sup> March, 2009.

**REMUNERATION COMMITTEE**

This Committee deals with the fixation of remuneration /sitting fees to the Directors etc. consists of three Directors viz: Mr. Ajay Arora, Dr. H.S. Garcha and Mr. Arvind Kalra.

**INFORMATION ON GENERAL BODY MEETINGS**

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

YEAR	LOCATION	DATE AND TIME
2005-2006	BAL BHAWAN, SECTOR 23-B, CHANDIGARH.	25 <sup>th</sup> September, 2006 AT 11.30 A.M.
2006-2007	BAL BHAWAN, SECTOR 23-B, CHANDIGARH.	29 <sup>th</sup> September, 2007 AT 11.30 A.M
2007-2008	CHANDIGARH INSTITUTE OF HOTEL MANAGEMENT (FORMERLY FOOD CRAFT INSTITUTE), SECTOR 42-D, CHANDIGARH	30 <sup>th</sup> September, 2008 AT 11.30 A.M.

**DISCLOSURES**

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

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

**MEANS OF COMMUNICATION**

Quarterly, half yearly, annual results and statutory notices are published in prominent daily newspapers, i.e. The Business Standard (All Editions) The Financial Express & Indian Express, Chandigarh. The Dainik Tribune (Hindi), Daily Tribune (Punjabi) Etc. All these information are also uploaded on the web-site of the company i.e. [www.agro-dutch.com](http://www.agro-dutch.com)

**ANNUAL GENERAL MEETING**

Date	Time	Venue
12.10.2009	10.30 A.M.	Chandigarh Institute of Hotel Management, (Formerly Food Craft Institute) Sector 42-D, Chandigarh

**FINANCIAL CALENDAR**

April 01 to March 31

**DATES OF BOOK CLOSURE**

10<sup>th</sup> October 2009 to 12<sup>th</sup> October 2009. (Both Day inclusive)

**REGISTERED OFFICE**

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

TEL.NO. 0172-2606575, 2663336,

FAX NO. 0172-2604045

E.MAIL NO. [investors@agro-dutch.com](mailto:investors@agro-dutch.com)

**REGISTRAR AND SHARE TRANSFER AGENT**

M/S. KARVY COMPUTERSHARES PVT LIMITED

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

HYDERABAD - 500 081

**SHARE TRANSFER SYSTEM**

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

**LISTING AND STOCK CODE**

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

**SHAREHOLDING PATTERN AS ON 31.03.2009**

CATEGORY	NO. OF SHARES HELD	% OF HOLDING
<b>A Promoters Holding</b>		
1. Indian Promoters	62,54,461	18.63
2. Ministry of Food Processing	15,00,000	4.47
3. Persons acting in concert	<u>44,05,824</u>	<u>13.13</u>
Sub Total	<u>121,60,285</u>	<u>36.23</u>
<b>B Non Promoters Holding</b>		
4. Institutional Investors		
a) Mutual Funds and UTI	7900	0.02
b) Banks/Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Govt. Institutions)	3,03,000	0.90
c) Foreign Institutional Investors	<u>1,10,000</u>	<u>0.33</u>
Sub Total	<u>4,20,900</u>	<u>1.25</u>
5. Others		
a) Private Corporate Bodies	38,92,504	11.60
b) Indian Public	1,55,09,227	46.20
c) Non Resident Indians/Overseas Corporate Bodies	15,20,883	4.54
d) Any Other		
a) Trust	13147	0.04
b) Clearing Members	<u>48054</u>	<u>0.14</u>
Sub Total	<u>20983815</u>	<u>62.52</u>
<b>Grand Total</b>	<b>33565000</b>	<b>100%</b>

**STOCK MOVEMENT DATA**

Month	Bombay Stock Exchange			National Stock Exchange		
	High (Rs.)	Low (Rs.)	Monthly Volume	High (Rs.)	Low (Rs.)	Monthly volume
April 2008	33.70	26.15	6,97,340	33.90	26.05	6,03,836
May 2008	35.25	27.25	6,74,091	35.90	27.90	5,37,322
June 2008	32.75	23.60	8,40,490	32.70	23.50	5,41,052
July 2008	29.35	22.40	4,94,520	29.25	22.30	4,19,624
August 2008	26.95	22.10	4,92,832	26.90	22.50	4,71,570
Sept 2008	24.65	16.40	4,55,582	24.80	15.55	3,88,378
October 2008	18.30	9.85	3,97,216	18.40	10.90	5,14,483
Nov 2008	13.35	9.05	3,84,783	14.00	9.05	3,30,062
Dec 2008	15.00	9.37	3,86,989	14.85	9.50	5,05,970
Jan 2009	14.80	9.15	3,85,511	14.25	9.10	3,74,363
Feb 2009	10.48	8.66	1,64,109	10.45	8.60	3,20,305
Mar 2009	9.19	7.10	4,04,656	10.75	7.20	4,01,121

**DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2009**

Category		Number of Cases	% of Cases	Amount	% of Amount
From	To				
01	- 5000	18205	78.77	35565730.00	10.80
5001	- 10000	2494	10.80	20795560.00	6.20
10001	- 20000	1223	5.29	19393850.00	5.77
20001	- 30000	387	1.67	10093290.00	3.01
30001	- 40000	168	0.73	6140810.00	1.83
40001	- 50000	166	0.72	7916420.00	2.36
50001	- 100000	239	1.03	17928980.00	5.34
100001	> above	229	0.99	217815360.00	64.89
<b>Total</b>		<b>23111</b>	<b>100</b>	<b>335650000.00</b>	<b>100</b>

**DEMATERALISATION OF SHARES**

As on 31st March 2009, in total 3,13,46,813 (93.40% of the total number of shares) shares are in dematerialised form. The Company's shares are compulsorily traded in dematerialised form.

**OUTSTANDING WARRANTS AND THEIR IMPLICATIONS ON EQUITY**

The company issued 2,00,00,000 (Two Crores) convertible warrants of Rs. 10/- each at a price of Rs.10.00/- per warrant to be converted into one equity shares for each warrant to the promoters/associates on 13th June, 2009.

**INVESTOR CORRESPONDENCE**

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

M/S. KARVY COMPUTERSHARES PVT LIMITED  
PLOT NO.17-24, VITHAL RAO NAGAR, MADHAPUR, HYDERABAD - 500 081

**AUDITORS' CERTIFICATE OF CORPORATE GOVERNANCE**

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

**CERTIFICATE**

To the Members of  
Agro Dutch Industries Limited

We have examined the compliance of conditions of corporate governance by Agro Dutch Industries Limited, for the year ended on March 31, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

For Suresh Mittal & Associates  
Chartered Accountants

Sd/-

(Suresh Mittal)  
Partner

Place : Village Tofapur  
Dated : 11.09.2009

**AUDITOR'S REPORT**

To the members of Agro Dutch Industries Limited

We have audited the attached Balance Sheet of Agro Dutch Industries Limited as at March 31, 2009 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Reports) Order, 2003 as amended by the Companies (Auditor's Report) [Amendment] Order, 2004 together the order issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, We enclose in the Annexure a statement on matters specified in paragraph 4 & 5 of the said order.

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

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of 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, the Profit & Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the applicable Accounting Standards referred to in sub-Section (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of written representation received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with point 15 along with other Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India:
  - i) In the case of the Balance Sheet of the state of affairs of the Company as on March 31st, 2009;
  - ii) In the case of Profit & Loss Account, of the loss of the Company for the year ended on that date, and
  - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Suresh Mittal & Associates  
Chartered Accountants

(Suresh Mittal)  
Partner.  
M.No.82740

PLACE : Village Tofapur

Dated : 11.9.2009

**ANNEXURE TO THE AUDITOR'S REPORT**

Annexure referred to in the Auditors report to the members of Agro Dutch Industries Limited on the accounts for the year ended on March 31st, 2009.

- i. a. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, the management has physically verified certain fixed assets during the year and no serious discrepancies have been noticed. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the company and nature of the assets.
- c. In our opinion and accordingly to the information and explanations given to us, no substantial part of the fixed assets have been disposed off during the year.
- ii. a) The inventories have been physically verified during the year by the management and in our opinion the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Company are reasonable and adequate commensurate with the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical inventory & book records were not material.
- iii. a) The Company has not granted any loans, Secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the Clause (iii)(b), (iii)(c) and (iii)(d) of the paragraph 4 of the order are not applicable.
- b) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the Clause (iii)(f) and (iii)(g) of the paragraph 4 of the order are not applicable.
- iv. In our opinion and according to the information and explanation given to us and having regard to the explanations that some of the items purchased are of special nature and alternative quotations are not available, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. a) In our opinion and according to information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs. Five Lacs in respect of each party during the year, have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
- vi. The company has not accepted deposit from the public.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We are informed that maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 in respect of the Company's product.
- ix. a) According to the information and explanation given to us and the records of the company examined by us, in our opinion, the company has been regular in depositing during the year undisputed statutory dues including Provident Fund, Employee's State Insurance Dues, Investor Education and Protection Fund, Income-Tax, Sales-Tax, Wealth Tax, Custom Duty, Service Tax, Excise Duty, Cess and other material statutory dues as applicable, with the appropriate authority in India.
- b) According to the information and explanation given to us and the records of the company examined by us, there

were no disputed dues of Provident Fund, Employee's State Insurance Dues, Investor Education and Protection Fund, Income-Tax, Sales-Tax, Wealth Tax, Custom Duty, Service Tax, Excise Duty, Cess in arrears as at 31.3.2009 for a period of more than six months from the date they become payable .

- x. The company has no accumulated losses as at 31.3.2009. Company has incurred cash losses in the financial year ended on that date but has not incurred cash losses in the immediately preceding financial year.
- xi. Based on our audit procedures and on the basis of information and explanations given by the management, we report that the company has defaulted in repayment of loans and interest thereon. The details are as under

(Rs in lacs)			
Principal Amount	Date of Default	Interest	Date of Default
113.75	13.1.2009	42.00	31.12.2008
99.99	10.2.2009	66.79	31.1.2009
63.77	31.01.2009	113.81	28.2.2009
583.33	28.2.2009	98.93	15.3.2009
208.33	31.03.2009	150.30	31.3.2009

The company has gone into CDF. and as per company explanation the same is in final stage of Approval.

- xii. According to the information and explanations given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund, nidhi, mutual benefit or a society. Accordingly, Clause 4 (xiii) of the Order is not applicable.
- xiv. In our Opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies ( Auditors' Report ) Order , 2003 ( as amended ) are not applicable to the company.
- xv. In our opinion and according to the information and explanations given to us the company has not given any guarantee for loans taken by others from bank or financial institution during the year.
- xvi. In our opinion and according to the information and explanations given to us, on an overall basis, term loans availed by the company were, prima facie, applied for the purpose for which they were raised.
- xvii. The funds raised on short-term basis have been used for long-term investment. However the amount is not identifiable.
- xviii. The company made preferential allotment of shares to the parties and companies covered in the register maintained u/s 301 of the Companies Act during the year. The price at which the allotment was made is not prejudicial to the interest of the company.
- xix. Company has no outstanding Debentures as on 31.3.2009.
- xx. The Company has not raised any money through public issue during the year.
- xxi. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us , we have neither come across any instance of fraud on or by the company , noticed or reported during the year , nor have we been informed of such case by the management.

For Suresh Mittal & Associates  
Chartered Accountants

(Suresh Mittal)  
Partner.  
M.No.82740

PLACE : Village Totapur  
Dated : 11.9.2009

**BALANCE SHEET AS AT 31st MARCH 2009**

PARTICULARS	SCHEDULE	AS ON 31ST MARCH 2009	AS ON 31ST MARCH 2008
<b>1. SOURCES OF FUNDS :</b>			
i) Shareholder's Fund			
a) Share Capital	1	335,650,000	318,900,000
b) Subscription against share warrants		-	21,092,500
c) Reserves & Surplus	2	<u>1,142,950,232</u>	<u>1,440,950,857</u>
		1,478,600,232	1,780,943,357
ii) Loan Funds			
a) Secured Loans	3	3,936,366,385	3,043,249,768
a) Unsecured Loans		-	-
b) Deferred Tax liabilities	4	<u>190,786,737</u>	<u>364,814,803</u>
Total		<u>5,605,753,354</u>	<u>5,189,007,928</u>
<b>2. APPLICATION OF FUNDS:</b>			
i) Fixed Assets	5		
a) Gross Block		3,645,613,046	3,121,537,798
b) Depreciation		787,713,672	642,491,662
c) Net Block		2,857,899,374	2,479,046,136
d) Capital Work-in-Progress		<u>1,286,350,372</u>	<u>1,205,711,235</u>
Total		4,144,249,746	3,684,757,371
ii) Investments			
iii) Current Assets, Loans & Advances			
A) Current Assets			
a) Inventories	6	1,543,099,653	1,359,971,021
b) Debtors	7	71,801,334	54,814,983
c) Cash & Bank Balances	8	157,165,792	279,332,067
B) Loans & Advances	9	<u>346,215,296</u>	<u>331,737,745</u>
Total (ii)		2,118,282,076	2,025,855,816
iv) Less : Current liabilities & Provisions	10		
a) Current Liabilities		657,399,827	517,332,000
b) Provisions		3,903,724	12,943,542
		<u>661,303,551</u>	<u>530,275,542</u>
Net Current Assets (iii) - (iv)		1,456,978,526	1,495,580,274
iv) Misc. Expenditure (to the extent not w/off)	11	<u>4,525,082</u>	<u>8,670,283</u>
Total		<u>5,605,753,354</u>	<u>5,189,007,928</u>
Notes on Accounts	17		
This is the Balance sheet referred to in our report of even date			
For Suresh Mittal & Associates Chartered Accountants		For and on Behalf of the Board	
Suresh Mittal Partner	Gurpreet Singh Executive Director	Malvinder Singh Managing Director	
Place : Village Tofapur Dated : September 11, 2009	Sushil Garg Manager (Accounts)	Vivek Ahn VP (Finance) & Company Secretary	

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31st MARCH 2009**

PARTICULARS	SCHEDULE	AS ON 31ST MARCH 2009	AS ON 31ST MARCH 2008
<b>A. INCOME</b>			
Sales			
- Exports		1,292,140,893	1,939,251,633
- Domestic		98,838,906	103,534,015
Less Excise Duty		6,859,952	9,824,998
<b>Net Sales</b>		<b>1,384,119,847</b>	<b>2,032,960,652</b>
Other Income		82,261,349	102,514,172
Accretion In Stock		179,657,571	225,409,925
<b>Total Income</b>		<b>1,646,038,767</b>	<b>2,360,884,749</b>
<b>B. EXPENDITURE</b>			
Raw Material Consumed		679,607,979	697,813,275
Manufacturing Expenses	12	599,713,994	493,889,400
Salaries, Wages And Other Benefits	13	40,226,636	38,289,134
Administrative Expenses	14	64,604,915	74,516,027
Interest and Finance Charges	15	290,029,263	225,374,938
Selling & Other Expenses	16	265,380,453	329,393,147
Depreciation	5	145,222,010	125,557,293
Expenses Written Off		4,145,201	4,444,259
<b>Total Expenditure</b>		<b>2,088,939,451</b>	<b>1,989,277,473</b>
<b>PROFIT/(LOSS) FOR THE PERIOD BEFORE TAX</b>		<b>(442,900,684)</b>	<b>371,607,276</b>
<b>Less Tax Expense</b>			
<b>Current Tax</b>			
Income Tax/Wealth Tax		234,736	37,718,000
Less Mat Credit Entitlement		-	(37,718,000)
Fringe Benefit		2,276,055	1,500,000
Deferred Tax		(174,028,066)	96,400,589
Previous Year Tax		2,261,926	2,775,482
Less Extra ordinary items		70,154,039	38,504,198
<b>PROFIT/(LOSS) FOR THE PERIOD AFTER TAX</b>		<b>(343,799,375)</b>	<b>232,427,007</b>
<b>Balance Available for Appropriation</b>		<b>(343,799,375)</b>	<b>232,427,007</b>
Last year Profit / (Loss) brought forward		479,030,676	246,603,669
<b>PROFIT/(LOSS) TRANSFERRED TO BALANCE SHEET</b>		<b>135,231,301</b>	<b>479,030,676</b>
Earning per Share (Basic)		(10.24)	8.99
Earning per Share (Diluted)		(10.24)	7.18
Nominal value per Share		10	10
<b>Notes on Accounts</b>	<b>17</b>		
This is the Profit & Loss Account referred to in our report of even date.			
For Suresh Mittal & Associates			For and on Behalf of the Board
Chartered Accountants			
Suresh Mittal	Gurpreet Singh		Maivinder Singh
Partner	Executive Director		Managing Director
Place : Village Tofapur	Sushil Garg		Vivek Arif
Dated : September 11, 2009	Manager (Accounts)		VP (Finance) & Company Secretary

<b>SHARE CAPITAL</b>		<b>SCHEDULE 1</b>	
<b>PARTICULARS</b>	<b>AS ON 31ST MARCH 2009</b>	<b>AS ON 31ST MARCH 2008</b>	
<b>Authorised Share Capital</b>			
<b>Equity Share Capital</b>			
7,00,00,000 Equity Shares of Rs.10/-each	700,000,000	700,000,000	
<b>Preference Share Capital</b>			
10,00,000 Preference Shares of Rs.100/-each	100,000,000	100,000,000	
<b>Issued &amp; Subscribed Capital</b>			
3,35,65,000 Equity Share of Rs 10/- Each (Previous year 3,18,90,000 Equity share of Rs 10/- each)	335,650,000	318,900,000	
<b>Paid up Capital</b>			
3,35,65,000 Equity Share of Rs 10/- Each (Previous year 3,18,90,000 Equity share of Rs 10/- each)	335,650,000	318,900,000	
<b>Total</b>	<b>335,650,000</b>	<b>318,900,000</b>	
<b>RESERVE &amp; SURPLUS</b>		<b>SCHEDULE 2</b>	
<b>PARTICULARS</b>	<b>AS ON 31ST MARCH 2009</b>	<b>AS ON 31ST MARCH 2008</b>	
<b>GENERAL RESERVE</b>			
As per previous year balance sheet	559,228,181	559,224,181	
<b>PROFIT AND LOSS ACCOUNT</b>			
Amount transferred from Profit & Loss Account	135,231,301	479,030,676	
<b>CAPITAL RESERVE</b>			
<b>Share Forefeited Account</b>			
Opening Balance	221,000.00	221,000	
Additions during the year	<u>16,486,250.00</u>	-	221,000
<b>Share Premium Account</b>			
Opening Balance	402,475,000	374,825,000	
Additions during the year	<u>29,312,500</u>	<u>27,650,000</u>	
	431,787,500	402,475,000	
<b>Total</b>	<b>1,142,950,232</b>	<b>1,440,950,857</b>	
<b>SECURED LOANS</b>		<b>SCHEDULE 3</b>	
<b>PARTICULARS</b>	<b>AS ON 31ST MARCH 2009</b>	<b>AS ON 31ST MARCH 2008</b>	
<b>Rupee Term Loans</b>			
- from Banks	1,203,847,968	931,594,000	
<b>Foreign Currency Loans</b>			
- from Banks	472,331,586	316,312,500	
<b>Working Capital Limits</b>			
- from Banks	1,889,077,168	1,197,204,246	
<b>Corporate Loans</b>			
- from Banks	198,043,814	580,000,000	
<b>Short Term Loans</b>	125,412,559	12,703,164	
<b>Interest accrued &amp; Due</b>	47,683,292	5,435,858	
	<b>3,936,366,385</b>	<b>3,043,249,768</b>	

The abovesaid Rupee, Foreign currency loans are secured by a first charge by way of mortgage on all the co's immovable and first charge by way of hypothecation of movable properties, both present and future; save and except book debts, in such a form required by Lenders subject to prior charges created/to be created in favour of company's bankers on current assets for securing borrowings for working capital requirements. The said mortgage and charge will rank pari-pasu among the banks. The said loans are further guaranteed by two promoter directors of the Company. Working Capital facilities from banks are secured by hypothecation of current assets (Present or Future). The above facility is also collaterally secured by second charge on block of assets of the company and gurantees. Corporate Loans are guaranted by two promoter directors of the company

**DEFERRED TAX LIABILITY**

**SCHEDULE 4**

PARTICULARS	AS ON 31ST MARCH 2009	AS ON 31ST MARCH 2008
Liabilities	396,540,968	364,814,803
Assets	205,754,231	-
	<b>190,786,737</b>	<b>364,814,803</b>



**SCHEDULE - 5**

**FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				WDV		
	As on 01.04.2008 (Rs.)	Additions during the period (Rs.)	Deletions during the period (Rs.)	Total as on 31.3.2009 (Rs.)	As on 01.04.2008 (Rs.)	During the period (Rs.)	Deletions during the period (Rs.)	Total as on 31.3.2009 (Rs.)	As on 31.3.2009	As on 31.3.2008
LAND	97,558,353	-	-	97,558,353	-	-	-	-	97,558,353	97,558,353
BUILDING										
- FACTORY	1,223,020,575	289,844,962	-	1,512,865,537	190,180,700	44,472,533	-	234,653,233	1,278,212,254	1,032,809,876
- NON FACTORY	1,421,829	-	-	1,421,829	163,952	23,173	-	187,125	1,234,504	1,257,677
PLANT & MACHINERY (IMP)										
CONTINUOUS	172,438,882	4,835,017	-	177,273,899	19,932,711	9,195,221	-	29,128,932	147,941,967	152,603,171
OTHERS	332,530,414	-	-	332,530,414	103,627,866	15,795,195	-	119,423,060	213,107,334	228,502,529
PLANT & MACHINERY (IND)										
CONTINUOUS	944,792,058	175,873,206	-	1,120,665,264	239,011,800	53,125,398	-	292,137,198	828,528,046	705,780,238
OTHERS	246,160,503	37,902,684	-	284,063,187	49,207,483	12,385,480	-	61,592,963	222,470,234	196,053,010
VEHICLES	67,713,267	12,925,295	-	80,638,563	24,265,290	6,735,442	-	31,000,732	49,638,831	43,447,977
FURNITURE & FIXTURE	25,464,120	1,758,176	-	27,262,296	7,334,529	1,633,604	-	9,028,132	16,234,164	18,129,591
COMPUTERS	10,440,997	1,084,807	-	11,525,804	8,787,281	1,734,936	-	10,552,217	973,687	1,673,716
<b>Total</b>	<b>3,121,537,796</b>	<b>524,075,248</b>	<b>-</b>	<b>3,645,613,046</b>	<b>642,491,662</b>	<b>145,222,010</b>	<b>-</b>	<b>787,713,672</b>	<b>2,857,899,374</b>	<b>2,479,046,136</b>
<b>Previous year figures</b>	<b>1,662,318,531</b>	<b>129,029,853</b>	<b>2,558,296</b>	<b>1,789,790,088</b>	<b>277,220,177</b>	<b>75,824,744</b>	<b>606,288</b>	<b>352,438,834</b>	<b>1,438,351,456</b>	<b>2,164,471,524</b>

\*Capital Work in Progress including Capital Advances

1,286,350,372

1,205,711,235

4,144,249,746

3,684,757,371

\*INCLUDES

- Building Under Construction
- Plant & Machinery (Under erection)
- Capital Advances

<b>INVENTORIES</b>		<b>SCHEDULE-6</b>	
<b>PARTICULARS</b>	<b>AS ON 31ST MARCH 2009</b>	<b>AS ON 31ST MARCH 2008</b>	
Raw Materials	262,582,377	189,298,353	
Stores and Spares	31,882,119	97,205,613	
Work in Process	628,784,931	663,693,711	
Finished Goods	619,850,226	405,283,875	
Material in Transit	-	4,489,469	
	<b>1,543,099,653</b>	<b>1,359,971,021</b>	

<b>DEBTORS (UNSECURED CONSIDERED GOOD)</b>		<b>SCHEDULE-7</b>	
<b>PARTICULARS</b>	<b>AS ON 31ST MARCH 2009</b>	<b>AS ON 31ST MARCH 2008</b>	
<b>Sundry Debtors</b>			
Six Months Old	99,870,003	27,421,724	
Others	323,493,666	353,096,634	
Total	423,363,669	380,518,358	
LESS : Bills discounted with the Company's Bankers	351,562,335	325,703,375	
	<b>71,801,334</b>	<b>54,814,983</b>	

<b>CASH AND BANK BALANCES</b>		<b>SCHEDULE - 8</b>	
<b>PARTICULARS</b>	<b>AS ON 31ST MARCH 2009</b>	<b>AS ON 31ST MARCH 2008</b>	
Cash in hand	1,305,851	1,493,005	
<b>Balances With Scheduled Banks</b>			
In Current Accounts	7,381,665	26,651,182	
In EEFC Accounts	215,000	18,857,131	
Margin Money with banks	35,763,277	32,204,872	
Fixed Deposit with Banks	112,500,000	200,126,077	
	<b>157,165,792</b>	<b>279,332,067</b>	

<b>LOANS &amp; ADVANCES (UNSECURED CONSIDERED GOOD)</b>		<b>SCHEDULE - 9</b>	
<b>PARTICULARS</b>	<b>AS ON 31ST MARCH 2009</b>	<b>AS ON 31ST MARCH 2008</b>	
Advances recoverable in cash or kind or for the value to be received	197,536,896	199,242,847	
Other Receivables - Transport Assistance	83,131,162	66,050,589	
Security Deposits	11,161,096	9,828,259	
Union Excise Duty	4,620	4,620	
Pre Paid Expenses	10,789,510	13,019,418	
Mat Credit entitlement	43,592,012	43,592,012	
	<b>346,215,296</b>	<b>331,737,745</b>	

**CURRENT LIABILITIES & PROVISIONS**

**SCHEDULE-10**

PARTICULARS	AS ON 31ST MARCH 2009	AS ON 31ST MARCH 2008
<b>Current Liabilities</b>		
Sundry Creditors		
Due to Micro & Small Enterprises (See Note No. 13)	5,664,882	2,146,085
Others	271,210,453	215,003,136
Interest Accrued but not due	7,188,003	982,546
Expenses Payable	284,386,437	223,869,024
Statutory Liabilities	2,029,045	2,043,895
Sundry Advances	8,668,938	14,540,159
Others	78,252,069	58,947,155
<b>Total (a)</b>	<b>657,399,827</b>	<b>517,332,000</b>
Gratuity	1,892,933	1,843,546
Provisions for Income /Wealth Tax (Net of payments)	2,010,791	11,099,996
<b>Total (b)</b>	<b>3,903,724</b>	<b>12,943,542</b>
<b>Total (a+b)</b>	<b>661,303,551</b>	<b>530,275,542</b>

**MISCELLANEOUS EXPENDITURE**

**SCHEDULE-11**

(to the extent not written off)

PARTICULARS	AS ON 31ST MARCH 2009	AS ON 31ST MARCH 2008
Deferred Revenue Expenses	3,115,637	5,851,397
Right Issue Expenses	1,409,445	2,818,886
	<b>4,525,082</b>	<b>8,670,283</b>

**MANUFACTURING EXPENSES**

**SCHEDULE-12**

PARTICULARS	AS ON 31ST MARCH 2009	AS ON 31ST MARCH 2008
Laboratory Expenses	1,054,542	430,045
Diesel	39,274,884	60,802,328
Consumables	26,016,762	23,297,700
Power	322,661,739	200,412,711
Repair & Maintenance	39,831,959	37,981,297
Labour	40,506,648	40,899,904
Material Handling Charges	130,367,260	130,065,415
	<b>599,713,994</b>	<b>493,889,400</b>

**SALARIES, WAGES AND OTHER BENEFITS**

**SCHEDULE-13**

<b>PARTICULARS</b>	<b>AS ON 31ST MARCH 2009</b>	<b>AS ON 31ST MARCH 2008</b>
Salary	18,701,083	16,109,880
Director's Remuneration	10,920,000	10,845,000
Staff Welfare	1,528,274	1,674,348
Uniforms	748,533	1,419,696
Provident Fund	2,816,575	2,850,022
Bonus	1,493,694	1,539,162
Employee State Insurance	1,866,955	1,807,762
Earned Leave Encashment	1,051,092	959,410
Gratuity	1,100,430	1,083,854
	<b>40,226,636</b>	<b>38,289,134</b>

**ADMINISTRATIVE EXPENSES**

**SCHEDULE - 14**

<b>PARTICULARS</b>	<b>AS ON 31ST MARCH 2009</b>	<b>AS ON 31ST MARCH 2008</b>
Advertisement	1,572,423	1,600,940
AGM/EGM Expenses	19,561	21,272
Auditors Remuneration	610,000	510,000
Business Promotion	230,228	1,536,365
Charity and donation	152,100	97,890
Exhibition Expenses	1,150,293	1,473,895
Hiring charges	623,547	707,402
Insurance Charges	15,829,836	19,913,295
Lease Rent	636,300	1,000,758
Legal & Professional Fee	5,193,092	4,885,608
Miscellaneous Expenses	1,293,042	168,999
Newspaper, Books & Periodicals	31,008	41,200
Office Expenses	617,600	970,958
Printing & Stationery	1,657,425	2,068,170
Rates, Fees & Taxes	2,436,059	2,665,080
Rent	823,640	777,033
Sitting Fees	98,800	99,000
Subscription	561,040	404,833
Telephone, Postage & Telegramme	4,269,184	5,161,954
Travelling Expenses	25,257,991	29,057,257
Vehicle Running & Maintenance	1,541,747	1,354,117
	<b>64,604,915</b>	<b>74,516,027</b>

**INTEREST AND FINANCE CHARGES**

**SCHEDULE - 15**

PARTICULARS	AS ON 31ST MARCH 2009	AS ON 31ST MARCH 2008
Interest on Term Loan	70,097,872	71,686,022
Interest on Working Capital	198,721,372	133,103,752
Bank Charges	21,210,019	20,585,164
	<b>290,029,263</b>	<b>225,374,938</b>

**FREIGHT OUTWARD AND OTHER EXPENSES**

**SCHEDULE-16**

PARTICULARS	AS ON 31ST MARCH 2009	AS ON 31ST MARCH 2008
Freight Outward	107,295,950	126,097,043
Anti Dumping Duty Expense	5,149,080	7,353,485
Selling Expenses - Custom Duties & Others	99,433,857	141,050,056
Packing Expenses	53,510,566	64,892,563
	<b>265,389,453</b>	<b>329,393,147</b>

**ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS**

**Schedule -17**

**Notes to the Accounts**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**I) Basis of Preparation of Financial Statements**

The financial statements have been prepared to comply in all material respects with the notified accounting standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the company are consistent with those used in the previous year.

**II). Revenue Recognition**

Revenue/Income and Cost/Expenditure are generally accounted on accrual basis as they are earned or incurred. Incentives from various government agencies (for which the company is entitled under different schemes of the Government) are accounted for in the year of eligibility.

**III) Use of Estimates**

The preparation of financial statements requires management to make certain estimates and assumptions that affects the amounts reported in the financial statements and notes thereto. Difference between actual results and estimates are recognized in the period in which the results are known/ materialized.

**IV) Fixed Assets and Depreciation**

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises Purchase price and all other attributable Costs of bringing the assets to its working condition for intended use. Financial costs relating to acquisition of qualifying fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation on fixed assets is provided on straight line method in the manner and at the rates specified in Schedule-XIV to the Companies Act , 1956.

Company has reviewed the future earning of its cash generating units as on 31.3.2009 in accordance with the accounting standard as issued by The Institute of Chartered Accountants of India. Since the carrying amount of the assets does not exceed the future recoverable amount , consequently, no adjustment is considered necessary by the management.

**V) Inventories**

Inventories are valued at lower of cost or net realizable value. The bases of determination of cost for different categories of inventories are as follows:

Raw Material, Store and spares	At lower of cost or net realizable value on first-in first-out basis
Finished Goods	At cost or Net realizable value whichever is lower. By-products are valued at net realizable value.
Work in progress	The cost includes - Material cost, Labour and appropriate share of manufacturing and other costs incurred in bringing the inventories to the present location and condition.

**VI) Sales**

Sales/Sales Returns are accounted for on dispatch of goods from/receipt of goods in the factory to/from the customers; Sales are net of returns, if any.

**VII) Custom Duty and Excise Duty**

Custom Duty and Excise Duty is accounted for at the time of dispatch of goods from factory.

**VIII) Foreign Exchange Transactions**

- a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.
- b) At the year end, monetary items denominated in foreign currencies other than those covered by forward contracts are converted into rupee equivalent at the year-end exchange rates.
- c) All exchange differences arising on settlement / conversion of foreign currency transactions are recorded in the Profit and loss account
- d) In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the date of the transaction is recognized as income or expense over the period of contract.

**IX) Research & Development**

Revenue expenditure on research & Development (other than Cost of Assets acquired) are charged to Profit and Loss Account in the year in which they are incurred.

**X) Employee Benefits**

- a) Short Term Employee Benefit .  
All employees benefits payable within twelve months of rendering of services are classified as short term benefits. Such benefits include salaries , wages , bonus , short term compensated absences ,earned leave, awards , extratifa etc . and the same are recognized in the period in which the employee renders the related service.
- b) Post Employment Benefits:
  - i) Defined Contribution Plan:  
The Company's approved superannuation scheme , provident Fund Scheme are defined contribution plans. The contribution paid / Payable under the schemes are recognized during the period in which the employee renders the related services.
  - ii) Defined Benefit Plan:  
The employee's gratuity fund scheme is company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the Project Unit Credit Method as at the date of the Balance Sheet. In case of Funded plans, the fair value of the plan asset is reduced from the gross obligation under the defined benefits plan, to recognize the obligation on the net basis.

**XI) Share Issue Expenses**

The Company amortizes Right Issue Expenses over a period of 5 years

**XII) Deferred Revenue Expenditure**

Processing charges and Syndication paid for obtaining Term Loans for repayment of High cost loans has been treated as Deferred Revenue Expenditure and are written off over the period of loan.

**XIII) Taxation**

Current tax is determined as the amount of tax payable in respect of taxable income for the period based on applicable tax rate and laws.

Deferred tax is recognized on timing difference, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods and is measured using tax rate and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date or re-assess realization.

Fringe Benefits tax is accounted for based on the estimation of fringe benefit for the period as per the related provisions of the Income tax act 1961.

**XIV) Expenditure during Construction**

In the case expansion of existing/New units, all pre-operating expenditure especially for the project, incurred up to the date of installation, are capitalized and added pro rata to the cost of fixed assets.

**XV) Borrowing costs:**

Borrowing costs attributable to the acquisition and construction of qualifying assets are added to the cost up to the date when such assets are ready for the intended use. The other borrowing costs are recognized as expense in the period in which these are incurred

**B. Notes to the Accounts**

**1. CONTINGENT LIABILITIES**

	(Rs. In Lacs)	
	Current Year	Previous Year
Letter of credit established by the Company	686.71	1139.82
Bank Guarantees issued	—	13.50
Bills discounted with Company's Bankers	3515.62	3257.03
Collateral Security Bond (US\$ 300000/-) with US Customs and Protection USA	726.00	460.00
Surety Bond to the Excise Department	5000.00	5000.00
Estimated amount of contracts remaining to be executed on capital account and not provided	15.00	86.72
Litigation Pending against company and not provided for	191.31	191.31
Us Anti Dumping Duty	772.96	—

2. Company has provided Rs. 51.49 lacs towards liability of Anti Dumping Duty for the period 1-2-2008 to 31-1-2009. As there will be no review for this period, as such liability has been provided on the basis of last assessment.

3. Under the provisions of Accounting Standard-18 Issued by the Institute of Chartered Accounts of India following information is disclosed:

Name	Relationship	Nature of Transactions	Particulars of Transactions	
			2008-09	2007-08
Shri Malvinder Singh	Key Management personnel and promoter	Director's Remuneration	46,80,000	46,80,000
Shri Gurpreet Singh	Key Management personnel and promoter	Director's Remuneration	39,00,000	38,25,000
Shri Harsh Jajoo	Key Management personnel	Director's Remuneration	—	26,16,413
Shri A.P. Singh Sandhu	Key Management	Director's Remuneration	11,70,000	11,70,000
Col. Satinder Singh	Key Management	Director's Remuneration	11,70,000	11,70,000
Saptarishi Agro Industries Ltd.	Directors interested	Rent	2,64,000	1,54,000
Saptarishi Agro Industries Ltd.	Directors interested	Sale of Cans		12,85,160

**4. Earning Per Share**

	(Rs. In Lacs)	
	Current Year	Previous Year
Profit After Tax	(3437.99 )	2324.27
Preference Dividend	—	—
Profit Attributable to ordinary share holders	(3437.99)	2324.27
Weighted Average of No of Ordinary shares	3,35,65,000	3,04,41,687
Nominal value of Ordinary share	Rs 10/-	Rs 10/-
Earning per share Basic	(10.24)	Rs. 8.99
Earning per share Diluted	(10.24)	Rs. 7.18

**5. Deferred Tax Liability**

	Deferred Tax Liability/ (asset) As at 1.04.2008 Rs. Lacs	Current Year charge/ (Credit) Rs. Lacs	Deferred Tax Liability/ (asset) As at 31.03.09 Rs. Lacs
<b>Deferred Tax Liability</b>			
Difference between book and Tax depreciation	3648.15	317.26	3965.41
<b>Deferred Tax Asset:</b>			
Gratuity	—	5.80	5.80
Interest	—	186.50	186.50
Business Loss	—	1865.24	1865.24
Total	—	2057.54	2057.54
Net Deferred Tax Liability (Asset)	3648.15	1740.28	1907.87

6. Additional Information required pursuant to the provisions of Schedule VI of the Companies Act, 1956.

		(Rs. In lacs)			
		Current Year		Previous Year	
		Qty (Mt)	Rs. in Lacs	Qty (Mt)	Rs. in Lacs
<b>a. Class of Goods :</b>					
White Button/ P&S Mushrooms					
EXPORT SALES (Canned) Mushroom	10920.81	12921.41	17122.58	19392.52	
DOMESTIC SALES (Others)	—	988.39	—	1035.34	
<b>b. Particulars capacity and production</b>					
		Current Year		Previous Year	
		Fresh Qty (Mt)	Processed Qty (Mt)	Fresh Qty (Mt)	Processed Qty (Mt)
Class of Goods : White Button/ P&S Mushrooms					
Licensed Capacity	60000	36000	60000	36000	
Installed Capacity	60000	36000	50000	30000	
Actual Production	25852.17	13872.51	27920.15	16882.74	
<b>c. Detail of Opening Stock, Production, Sales and Closing Stock.</b>					
PARTICULARS		UOM	Current Year	Previous Year	
<b>FRESH MUSHROOM</b>					
Opening Stock	QTY in MT		-	-	
Production	QTY in MT		25852.17	27920.15	
Closing Stock	QTY in MT		-	-	
Closing Stock Value	Rs in Lacs		-	-	
PARTICULARS		UOM	Current Year	Previous Year	
<b>Canned MUSHROOM</b>					
Opening Stock	QTY in MT		3906.78	4240.56	
Production	QTY in MT		13872.51	16882.74	
Closing Stock	QTY in MT		6718.27	3906.78	
Closing Stock Value	Rs. (Lacs)		4855.02	3562.06	
<b>SALES</b>					
Fresh Mushroom	Qty in MT		—	—	
	Rs. (Lacs)		—	—	
Canned Mushroom	Qty in MT		10920.81	17122.58	
	Rs. (Lacs)		12921.41	19392.52	
Other Sales	Rs. (Lacs)		988.39	1035.34	
			Current Year	Previous Year	
<b>d. CIF Value of Imports</b>					
Capital Goods			715.32	3172.15	
Raw Material & Consumables			3169.76	3421.20	
Spares & Components			40.24	49.40	

<b>e. Earning in Foreign Currency</b>		
FOB Value of Exports	11276.51	17001.94
Interest	0.59	89.08
<b>f. Expenses in foreign currency</b>		
Travelling	26.37	94.57
Interest and Finance charges	383.09	134.14
Legal & Professional Charges	28.08	35.87
Rates and taxes	6.75	3.95
Subscription	4.76	3.27
Others	28.26	47.19
<b>g. Foreign Currency Remittance (Repayment of Foreign currency loan)</b>	<b>276.59</b>	<b>111.52</b>

**h. Details of Raw Material Consumed**

Sr. Particulars	Value (in Lacs)				
	UM	Current Year		Previous Year	
		Quantity	Value	Quantity	Value
1 Wheat Straw	MT	85483.96	1840.13	81435.04	2105.61
2 Chicken Manure	Cft	4715197	737.58	3387913	442.15
3 LDPE Granules	MT	682.72	621.17	859.79	578.12
4 Tin Plate	MT	3020.42	1568.46	4712.73	1952.61
5 Others (Lacquer, Spawn, Copper wire, Cow dung etc)			2028.74	—	1899.64

**i) Value of Raw Materials, Spare Parts and Components Consumed During the Year**

Particulars	(Rs. In lacs)				
	%	Current Year		Previous Year	
		Value	Value	Value	Value
<b>Raw Material</b>					
Imported	23.10	31.71	2968.26	40.46	
Indigenous	46.98	68.29	4368.06	69.54	
<b>Spare parts and Components</b>					
Imported	45.64	13.67	51.60	14.41	
Indigenous	28.08	86.33	303.59	85.59	

**j) The Auditors Remuneration includes payment and provisions as follows:**

	Current Year	Previous Year
Audit Fee	5,00,000/-	4,00,000/-
Certification Charges	60,000/-	60,000/-
Others	40,000/-	50,000/-

**7. SEGMENT INFORMATION**

Segment has been identified in line with the Accounting Standard on Segment reporting (AS - 17) Taking into account the organization structure as well as the differential risks and returns of these segments.

The Company has disclosed business Segment as the primary segment.

Types of products in each business segment

Business Segment	Types of Products
a) Mushroom Plant	Fresh and Canned Mushrooms
b) Can Unit	Open Top Sanitary Cans and Ends for Food Packaging

The Segment Revenues, Results, Assets and Liabilities include the respective amounts, identifiable to each of the segment and amounts allocated on a reasonable basis.

**A Primary Segment (Business Segment)**

Rs. In Lacs

Segment Revenue, Results and other information as on 31st March 2009

	Mushroom Plant		Can Unit		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Sales/Income from operations(Gross)						
External sales	13468.83	19550.49	584.31	877.37	14053.14	20,427.86
Inter segment sales	-2465.68	-2646.47	2465.68	2646.47		
Income from operations (External)	610.67	1025.14			610.67	1,025.14
Segment Revenues	11613.82	17,929.16	3049.99	3,523.84	14663.81	21,453.00
Segment Results	(1830.93)	5,508.07	411.42	570.21	(1419.51)	6,078.27
Segment Assets	47761.83	42662.06	3626.00	12497.81	51387.83	55,159.87
Segment Liabilities	25592.65	29,577.16	625.31	7760.52	26217.96	37,337.68
Capital Expenditure	5225.09	9909.47	15.66	4187.23	5240.72	14,096.70
Depreciation and Amortization	1397.42	1205.29	96.26	94.72	1493.68	1,300.01

**B. Secondary Segment (Geographical)**

	India		USA		Rest of the world		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Revenues Gross	919.79	2060.48	9708.74	13784.73	3212.67	5607.78	13841.20	21453.00
Total Assets	51387.83	55159.87	-	-	-	-	51387.83	55159.87
Capital Expenditure	5240.72	14096.70	-	-	-	-	5240.72	14096.70

**8. a) Prior Period adjustments represents**

Particulars	Current Year	Previous Year
Debits relating to Earlier Years		
On account of Income Tax	22.62	27.75
Others	-	-

**b) Foreign Currency Gain / (loss)**

Particulars	Current Year	Previous Year
Sales	352.46	(21.11)
Financial Charges	(701.54)	149.67

**c) Other Income Includes :**

Particulars	Rs. in Lacs	
	Current Year	Previous Year
Insurance Claims	5.48	26.15
Interest	72.74	104.73
Vishesh Krishi Udyog Vikas Yozna	211.94	649.41
Others	432.45	244.86
Total	722.61	1025.15

- d) Extra ordinary items represents Loss of Rs. 701.54 lacs on account of foreign currency financial transaction. Last year company has earned a gain of Rs 149.67 lacs on the same and was shown under other Income. Last year extraordinary items represents loss of 385.04 Lacs on shifting of Compost Yard to New Site.
- 9 The Company received Rs 414.56 lacs against conversion of Preferential Allotment of Warrants during 2008-09. The amount raised through Preferential Allotment during the year has been utilized on over all basis as set out below:

Particulars	Rs. In Lacs
Working Capital	414.56

- 10 Valuation of Work-in-Process & Finished Goods being a technical matter has been taken as certified by the Management and cost Accountant
11. As per notification of APEDA, the Company is entitled to transport Subsidy in respect of freight on Exports made during the year. The estimated value of Subsidy works out to Rs. 170.81 Lacs for 2008-09. The same amount has been considered in the Profit & Loss account against the Ocean Freight.  
Company is entitled for C.S.T reimbursement and Duty drawback on H.S.D under the EXIM Policy. During the year company paid Rs 55.23 Lacs as C.S.T. The amount has been taken under the head advance since the whole amount is reimbursable under the above policy. Duty drawback for Rs 3.23 Lacs on Diesel has been adjusted against consumption of diesel
12. Interest Subsidy entitlement for the Current Year to the tune of Rs. 149.57 Lacs has been credited to Interest Account.
13. On the basis of information available with the Company, regarding the status of suppliers as defined under the "Micro Small and Medium Enterprises Development Act 2006", total dues to suppliers as at 31<sup>st</sup> March 2009 amounts to Rs.56,64,882/- (Previous Year : Rs. 21,46,085/-)  
Further there were no overdues during the period/close of the year and therefore the question of provision/payment of related disclosure under the said Act, does not arise.
14. Certain Creditors, Debtors and Advances/Capital advances are subject to reconciliation and the impact of the same on profit and loss account is not ascertainable.
15. In the opinion of the Board Current Assets, Loans & Advances are approximately of the value stated which if realized in the ordinary course of business except stated otherwise. The provisions for all the known liability are adequate.
16. The Company has provided for an expense of Rs 694.02 Lacs ( USD 15.78 Lacs ) in the financial year 2004-05 on account of Anti Dumping Duty for exports made to US from Feb 01,2002 to Jan 31,2003. However US Customs have erroneously raised a demand of Rs 1488.55 ( USD 31.41 ) lacs during 2008-09 for shipments arriving in US from Feb 01,2002 to Jan 31,2003 which has resulted in a difference of Rs 772.97 Lacs including interest. The Company's attorneys are taking up the matter with UD Department of Commerce as in their opinion this is wrong methodology. However to avoid sanctions the company has deposited the additional demand under protest.
17. Previous year figures have been regrouped or rearranged wherever necessary.
18. Schedule 1 to 17 form an integral part of Balance Sheet and Profit & Loss A/c.

**C. DISCLOSURES IN ACCORDANCE WITH REVISED AS-15 ON "EMPLOYEEES BENEFITS"**

**a) Defined Contribution Plan:-**

The Company has recognized the following amounts in the Profit and Loss Account for the Year::

Particulars	Rs. In Lacs	
	Current Year Figures	Previous Year Figures
Employer's Contribution to Provident Fund	7.59	7.68
Employer's Contribution to Superannuation Fund	—	-
Employer's Contribution to Employee's State Insurance	18.67	18.08
Employer's Contribution to Employee's Pension Scheme, 1995	17.23	17.44
<b>Total</b>	<b>43.49</b>	<b>43.20</b>

**b) Defined Benefit Plans:-**

The following figures are as per actuarial valuation, as at the Balance Sheet Date, carried out by an independent actuary.

i) A reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Plan (DBO)

Sr. No.	Particulars		Rs. In Lacs Gratuity
	Opening Balance at the beginning of the year	50.18	41.69
1	Current Service Cost	12.35	10.21
2	Interest Cost	4.01	3.34
3	Actuarial Gain/(Loss)	—	-
4	Benefits Paid	(3.26)	(5.06)
	Closing DBO as at the end of the year	63.28	50.18

ii) A reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

Sr. No.	Particulars		Rs. In Lacs Gratuity
	Opening Fair Value of Plan Assets	31.74	28.93
1	Expected Return on Plan Assets	2.63	2.40
2	Actuarial Gain/(Loss)	0.86	0.31
3	Contribution by Employer	12.38	5.16
4	Benefits Paid	(3.26)	(5.06)
	Closing Fair Value of Plan assets	44.35	31.74

iii) Amount recognized in Balance Sheet including a Reconciliation of the Present Value of the Defined obligation in (a) and Fair value of the Plan assets in (b) to the assets and liabilities recognized in the balance sheet.

Sr. No.	Particulars		Rs. In Lacs Gratuity
1	Present Value of Funded Obligations Unfunded Obligations	63.28	50.18
2	Fair Value of Plan Assets	(44.35)	(31.74)
	Net Liability/(Assets) recognised in Balance Sheet	18.93	18.44

iv) The Total Expense Recognised in the Profit and Loss Account.

Sr. No.	Particulars		Rs. In Lacs Gratuity
1	Current Service Cost	10.48	10.21
2	Interest Cost	4.01	3.34
3	Expected Return on Plan Assets	(2.63)	(2.40)
4	Actuarial (Gain)/Losses	(0.86)	(0.31)
5	Past Service Cost	-	-
	Total	11.00	10.84

v) For each major category of Plan Assets, following is the percentage that each major constitutes of the fair value of the Plan Assets:

Sr. No.	Particulars	Gratuity	
		Amount	Percentage
1	Government of India Securities	-	-
2	Corporate Bonds	-	-
3	Special Deposit Scheme	-	-
4	Equity Shares of Listed Companies	-	-
5	Property	-	-
6	Insurance Managed Funds	44.35	100%
7	Others	-	-
	<b>Total</b>	<b>44.35</b>	<b>100%</b>

vi) The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

vii) The Actual Return on Plan Assets is as follows

Sr. No.	Particulars		Rs. In Lacs Gratuity
1	Actual Return on Plan Assets	3.49	2.71
	<b>Total</b>	<b>3.49</b>	<b>2.71</b>

viii) Following are the Principal Actuarial Assumptions used as at the Balance Sheet Date:

Sr. No.	Particulars	Rs. In Lacs Gratuity
1	Discount Rate	8.00%
2	Expected Rate of Return on Plan Assets	8.30%
3	Salary Escalation Rate	7.00%

For Suresh Mittal & Associates  
Chartered Accountants

For and on Behalf of the Board

Suresh Mittal  
Partner

Gurpreet Singh  
Executive Director

Malvinder Singh  
Managing Director

Place : Village Tofapur  
Dated : September 11, 2009

Sushil Gang  
Manager (Accounts)

Vivek Atri  
VP (Finance) & Company Secretary

ADDITIONAL INFORMATION REQUIRED  
 UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956  
**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration Details**

Registration No.	12321	State Code	53
Balance Sheet Date	31.03.2009		

**II. Capital Raised during the year (Amount in Rs. Thousands)**

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	43450

**III. Position of Mobilization and deployment of Funds**

(Amount in Rs. Thousands)

	<b>Total Liabilities</b>	<b>Total Assets</b>
	5605753.35	5605753.35
<b>Sources of funds</b>	<b>Paid up capital</b>	<b>Reserves &amp; Surplus</b>
	335650.00	1142950.23
	<b>Secured Loans</b>	<b>Unsecured Loans</b>
	3936366.38	Nil
	<b>Deferred Tax Liability</b>	
	190786.74	
<b>Application of funds</b>	<b>Net Fixed Assets</b>	<b>Investments</b>
	4144249.75	Nil
	<b>Net Current Assets</b>	<b>Misc. Expenditure</b>
	1456978.53	4525.08
	<b>Accumulated Losses</b>	
	Nil	

**IV. Performance of Company (Amount in Rs. Thousands, except EPS)**

<b>Turnover</b>	1466381.20	<b>Total Expenditure</b>	1909281.88
<b>Profit/(Loss) Before Tax</b>	-442900.68	<b>Profit/(Loss) After Tax</b>	-343799.37
<b>Earning Per Share (EPS)</b>	-10.24	<b>Dividend</b>	NIL

**V. Generic Names of Three Principal/Services of Company (As per monetary terms)**

i) Item Code No. (ITC Code)	070951	731021
Product Description	Mushrooms	Metal Canes

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2008**

	<b>2008-09</b> (RS. IN LACS) CURRENT YEAR	<b>2007-08</b> (RS. IN LACS) PREVIOUS YEAR
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS	-4429.01	3716.07
ADJUSTMENT FOR -		
DEPRECIATION AND AMORTISATION	1493.07	1300.02
PREVIOUS YEAR ADJUSTMENT	0.00	-12.76
INTEREST/DIVIDEND	2900.29	2253.75
INCREASE/(DECREASE) IN OTHER PAYABLE	713.02	718.29
INCREASE/(DECREASE) IN TRADE PAYABLE	597.36	-397.44
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1275.24	7577.93
INCREASE IN :-		
TRADE & OTHER RECEIVABLE	428.45	-641.36
INVENTORIES	1831.29	2434.22
(INCREASE)/DECREASE IN WORKING CAPITAL	-3357.76	-2374.03
INCREASE IN LOANS & ADVANCES	144.77	864.02
282.85	-953.24	864.02
CASH GENERATED FROM OPERATIONS	2228.46	7295.08
INTEREST PAID	2900.29	2253.75
DIRECT TAXES PAID		
INCOME TAX	47.73	42.75
2296.50	-719.54	4936.57
CASH FLOW BEFORE EXTRAORDINARY ITEMS	-719.54	4936.57
EXTRAORDINARY ITEMS	701.54	
NET CASH FROM OPERATING ACTIVITIES	-1421.08	4998.57
<b>B. CASH FLOW IN INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	5240.75	4886.36
CAPITAL WORK IN PROGRESS	806.89	4174.70
INCREASE IN MISCELLANEOUS EXPENDITURE	0.00	0.00
NET CASH USED IN INVESTING ACTIVITIES	6047.64	9061.06
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
PROCEEDS FROM SHORT TERM BORROWING	1549.57	4466.67
PROCEEDS FROM LONG TERM BORROWING	4282.43	381.08
PROCEEDS FROM ISSUE OF CAPITAL	414.66	391.05
NET INCREASE/(DECREASE) IN CASH	-1221.66	1175.31
CASH AND CASH EQUIVALENTS AS AT 01.04.2008	2793.32	1617.01
CASH AND CASH EQUIVALENTS AS AT 31.03.2009	1571.66	2793.32

For Suresh Mittal & Associates  
Chartered Accountants

For and on Behalf of the Board

Suresh Mittal  
Partner

Gurpreet Singh  
Executive Director

Malvinder Singh  
Managing Director

Place : Village Tofapur  
Dated : September 11, 2009

Sushil Garg  
Manager (Accounts)

Vivek Atri  
VP (Finance) & Company Secretary

**CERTIFICATE**

We have examined the above Cash Flow Statement of Agro Dutch Industries Limited for the year ended on 31st March, 2007. The Statement has been prepared by the Company in accordance with the requirements of clause 32 of the listing agreement and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 24th August, 2007 to the members of the Company.

Place : Village Tofapur  
Date : September 11, 2009

For Suresh Mittal & Associates  
Chartered Accountant

Suresh Mittal  
Partner

