



A G R O

D U T C H

I N D U S T R I E S

L I M I T E D

(Formerly Agro Dutch Foods Limited)

**18TH ANNUAL REPORT
2009-10**

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BOARD OF DIRECTORS

Shri Malvinder Singh	Chairman & Managing Director
Shri Gurpreet Singh	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)

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Shri Vivek Atri

BANKERS / TERM LENDERS

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

STATUTORY AUDITORS

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

REGISTERED & CORPORATE OFFICE

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

WORKS

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

REGISTRAR & SHARE TRANSFER AGENTS

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

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Company will be held on Tuesday 28th September, 2010 at 10.30 A.M. at Chandigarh Institute of Hotel Management (Formerly Food Craft Institute), Sector 42-D, Chandigarh to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March 2010 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. S.R.K. Agnihotri, who retire by rotation & being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. B.B. Huria, who retire by rotation & being eligible, offers himself for re-appointment.
4. To consider and if thought fit pass with or without modification the following resolution, as an ordinary resolution:-
“Resolved that M/s Suresh Mittal & Associates, Chartered Accountants, the retiring auditors be and is hereby reappointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at a remuneration to be fixed by the Board of Directors and/or any committee thereof.”

SPECIAL BUSINESS

5. To consider & confirm and, if thought fit, to pass with or without modification(s), the following resolution, as Special Resolution:-
“RESOLVED THAT pursuant to provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, the allotment of 10,00,000 Equity Shares upon conversion of warrants of Rs.10/- each, at a premium of Rs.13.00 per share for cash, as determined in accordance with the relevant SEBI Guidelines/Regulations, to the Financial Investors on a preferential basis be and is hereby confirmed & ratified.”
6. To consider and, if thought fit, to pass with or without modification(s), the following resolution, as an Ordinary Resolution:-
“Resolved that the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any of the Companies Act, 1956, to the Board of Directors of the Company for mortgaging/charging all the immovable properties of the Company, wheresoever situated both present and future, and the whole or substantially the whole of the undertaking of the Company by way of 1st pari passu charge and 2nd pari passu charge in favour of State Bank of Patiala, State Bank of Indore, State Bank of Hyderabad, Allahabad Bank, Axis Bank Ltd., Union Bank of India, Federal Bank Ltd., ICICI Bank Ltd., Bank of India, IDBI Bank Ltd and DEG Germany, for securing Term Loans & Working Capital Facilities aggregating to Rs.32059.97 Lacs and Rs.13337.26 Lacs respectively together with interest, costs and other charges and expenses payable by the Company to the Banks, in terms of the Master Restructuring Agreement dated 28.12.2009 entered into or to be entered into between the Company and the Banks.”
“Resolved further that the mortgage/charge created/to be created and/or all arrangement/documents executed/to be executed and all acts done in terms of the above resolution by and with the authority of the Board of Directors are hereby confirmed and ratified.”

By order of the Board

Sd/-

Vivek Atri

CFO & Company Secretary

Place : Vill. Tofapur, Punjab

Date : 14.08.2010

Notes:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF COMMENCEMENT OF MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed for 2 days from 27th September, 2010 to 28th September, 2010 (both days inclusive).

3. Members desirous of seeking any further information or clarification in respect of accounts and operations of the Company are requested to send their queries in writing to the Company at the Registered Office so as to reach at least 7 days before the date of the meeting so that the required information can be made available at the meeting.
4. Members are requested to bring with them the attendance slips sent with this Annual Report duly completed and signed to hand it over at the entrance.
5. The Explanatory statement pursuant to Section 173 (2) of the Companies Act 1956 in respect of Item No.5 and Item No. 6 set out above is annexed hereto.
6. Members holding shares in physical form are requested to notify immediately the change in their address, if any at the Registered Office of the Company.

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

ITEM NO.5

The Company has submitted listing application for listing of 10,00,000 equity shares upon conversion of warrants to the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. At the time of submission of listing application, the company was not aware of the pre-preferential shareholding of one of the allottee i.e. Ms. Mahinder Kaur, Proprietor, Sweet Money Solutions. The identity of the proposed allottees, their shareholding pre issue and post issue of equity shares and after conversion of the warrants is as indicated below:-

Category	Pre-Issue		After conversion of warrants, pursuant to the Resolution approved at this Meeting	
	No. of equity shares held	% of holding	No. of equity shares held	% of holding
Numisma Financial Advisors Pvt Limited	-	-	7,00,000	1.28
Harveen Kaur	-	-	1,00,000	0.18
Ms. Mahinder Kaur, Proprietor, Sweet Money Solutions	2000	0.004	2,02,000	0.37
Total	2000	0.004	10,02,000	1.83%

Further, the company confirms that the issue is strictly in compliance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Therefore, confirmation and ratification of the members is being sought. None of the Directors of the Company is interested in the proposed resolution.

ITEM NO.6

The Debt of the Company was restructured through CDR Mechanism. Accordingly Term Loans and Working Capital limits were increased and reorganized in pursuance to the same. Master Restructuring Agreement (MRA) was executed on 28.12.2009. In terms of the said MRA, security was created on fixed and current assets of the Company.

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

The Directors recommend the resolution for your approval. None of the Directors of the Company is interested in the proposed resolution.

INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49.IV (G) OF THE LISTING AGREEMENT.
DISCLOSURE REGARDING RE-APPOINTMENT OF DIRECTORS
DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING:-

Particulars	Mr. S.R.K. Agnihotri	Mr. B.B. Huria
Date of Birth	17 th April, 1937	1 st April, 1944
Date of Appointment	12 th November, 2004	27 th April, 2006
Qualifications	F.C.S., I.C.W.A	M.S. (Mechanical Engineering)
Expertise in specific functional area	He is a qualified Company Secretary and a Cost Accountant. He retired from Punjab Agro Industries Corp. Ltd. as Executive Director. He was on the Board of various Companies during his service with PAIC	He is a Graduate in Bachelor of Science from University of Delhi. He has also got diploma in Russian – English Translation & interpretation. He retired as General Manager of Industrial Financial Corporation of India. He also acted as Director on the Board of Industrial Development Bank of India (IDBI) as nominee of Government of India for three years.
Directorship held in other public companies (excluding foreign, private and Section 25 companies)	Raja Forgings and Gears Limited	Hind Industries Ltd. Hind Agro Industries Ltd
Membership/ Chairmanship of committees of other public companies (includes only Audit and Shareholder/ Investors Grievance Committee)	Nil	Nil
Number of shares held in the Company.	Nil	Nil

DIRECTORS' REPORT

The Directors are pleased to present the 18th Annual Report and Audited Statements of Accounts for the period ended on 31st March, 2010.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	2009-10	2008-09
Net Sales/Income	9635.61	13841.20
Other Income	864.87	822.61
Increase / (Decrease) in Stock	(1540.35)	1796.58
Total Expenditure	12380.09	16495.43
Profit / (Loss) before Int /Tax/Dep	(3458.61)	(35.04)
Interest	3516.11	2900.20
Depreciation	1601.09	1452.22
Misc Expenses W/o	38.65	41.45
Profit / (loss) before Tax	(8575.81)	(4429.00)
Provision for Taxation	2.10	25.11
Profit after Current Tax	(8577.91)	(4454.11)
Provision for deferred Tax	3142.65	1740.28
Profit/Loss after Tax	(5435.26)	(2713.83)
Extra Ordinary Items including Previous Year adjustments	761.19	724.16
Net Profit/Loss After tax	(6196.46)	(3437.99)

OPERATIONS

During the year under review, your company has achieved a turnover of Rs.96.36 Crores (previous year Rs.138.41 Crores). During the year, the Company has restructured its total debt through the CDR Mechanism of the RBI which inter alia provides for reschedulement of repayments, concession interest, deferment of repayment of Term Loans, conversion of irregular Working Capital into Working Capital Term Loan, Working Capital Demand Loan, 6% Optionally Cumulative Convertible Redeemable Preference Shares (OCCRPS).

CHENNAI PLANT

To complete commissioning work at Chennai Project, the Lenders sanctioned Term Loans in terms of Debt Restructuring by the CDR-EG. The Banks have started disbursing the requisite Term Loans for the said purpose. The commissioning work of Chennai Project being set up at Village Kolambakkam, Post Pazhayanoor (Chennai) Tamil Nadu is in final stage. The commercial production is expected in October, 2010. After production, the project will contribute positively towards the revenues of the Company.

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

The Board recommends the reappointment of Sh. S.R.K. Agnihotri and Sh. B.B. Huria who retires by rotation & being eligible, offers themselves for re-appointment.

ISSUE OF CAPITAL

The Company issued 2,00,00,000 fully convertible warrants of Rs.10/- each, at a price of Rs.10/- per warrant to be converted into one equity share on 30th July, 2009. The said warrants were converted into equity shares on 15th January, 2010.

In terms of the Restructuring of Debt of the Company, 39,64,110 6% Optionally Cumulative Convertible Redeemable Preference Shares (6% OCCRPS) of Rs.100/- each were issued to the Lenders on 31st March, 2010.

The Company further issued 10,00,000 (Ten Lacs) convertible warrants of Rs.10/- each, at a premium of Rs.13.00 per warrant to be converted into one equity share on 5th July, 2010 to the Financial Investors on preferential basis. Out of these warrants, 8,00,000 warrants were converted into equity shares on 23rd July, 2010.

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 Annexure I to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of accounts for the period ended 31st March, 2010, 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.

CEO/ CFO CERTIFICATION

The CEO (Managing Director) and the CFO of the Company have certified to the Board in the manner required under Corporate Governance Code, concerning the annual financial statement.

AUDIT COMMITTEE

The Board of Directors in their meeting held on 2nd August, 2010 have re-constituted the Audit Committee consisting of the following:-

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

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

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

CORPORATE GOVERNANCE

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

LISTING OF SHARES & SEBI REGULATION

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

The listing fee for 2009-2010 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

The Board of Directors deeply acknowledge the contribution of all the stakeholders of the Company and value their support and suggestions. The support of various Banks and other Lenders to the Company at the difficult time is worth praising and deserve heartfelt thanks. We, assure all the stakeholders that the team ADIL is fully dedicated and assure that with the continuous support, we will overcome the turbulence in this year.

For and on behalf of the Board

sd/-

Place : Village Tofapur

Dated : 14.08.2010

Malvinder Singh

Chairman & Managing Director

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 31ST MARCH 2010.

Name of Employee	Designation/ Nature of Service	Expertise (years)	Date of Commencement 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	21	22.06.1992	B.E (Mech.)	46,80,000	56	Managing Director Vishwa Calibre Builders Pvt. Ltd.
Mr. Gurpreet Singh	Executive Director	17	22.06.1992	B.E (Civil)	39,00,000	42	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.	7861.87 Lacs
Interest	Rs.	0.00 Lacs
Outgo:		
Capital A/c	Rs.	10.29 Lacs
Raw Material & Consumables	Rs.	354.68 Lacs
Spares & Components	Rs.	26.09 Lacs
Travelling	Rs.	40.84 Lacs
Interest & Financial Charges	Rs.	316.55 Lacs
Others	Rs.	30.99 Lacs
Repayment of term loans	Rs.	0.00 Lacs

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT

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

a) Industry Structure and Outlook

The Mushroom industry was facing a recessionary trend due to downturn in US and European countries, which affected the exports of the Company.

The sudden decline of euro by 20% within one month destabilised the whole market. This led to diversion of orders from EEU to US market.

The production of fresh mushroom has now stabilised and with shortage of Product with no fresh supplies from China till December the market is expected to be streamlined. Further the strengthening of Euro will also help the company to regain its market share in US.

b) Opportunities and Threats

The Company has the forward looking approach and clear vision. The Company has become world's largest integrated mushroom growing producer and exporter with an installed capacity of 60,000 TPA. The grower economy of scale, low cost of production, availability of raw materials and labour who translate into enhanced market shares/new markets for the Company. With the setting up of Can manufacturing, Easy-Open-End (E.O.E) and Six Colour Printing Line at Chennai, the Company is entering into package industry, which is a need of the hours.

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 segments. The Company has disclosed business Segment as the primary segment.

Types of products in each business segment.

Business Segment	Type of Products
a) Mushroom Plant	Fresh and Canned Mushrooms

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

d) Outlook

With the economy of scale enjoyed by the Company and the setup of Can manufacturing, Easy-Open-End (E.O.E) and Six Colour Printing Line at Chennai, the future outlook of the Company is bright.

e) Risks and concerns

Being agro based industry, any crop failure and raw material i.e. wheat straw, paddy straw, rice husk and chicken manure etc. may result in increase in cost of production 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 in place effective systems of internal control ensuring accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the Company and ensuring compliance with laws and regulations. The internal control system commensurate with the size of the Company and nature of its business.

g) Human Resource Development/Industrial Relations

The Company ensures to upgrade the skills and competence of its human resources. The safety, welfare and development of employees receive all possible attention and receive highest priority. Industrial relations continue to be cordial and harmonious.

h) Cautionary Statement

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

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION

The present chapter, plus information given under Management Discussion and Analysis and Shareholder Information constitute ADIL's compliance on corporate governance during 2009-10.

COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance. The Company fully realises the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company provides detailed information on various issues concerning the Company's business and financial performance, to its shareholders. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long term shareholder value, keeping in view the need and interests of all its stakeholders. The Company is committed to transparency in all its dealing and places emphasis on business ethics.

COMPOSITION OF THE BOARD

The Board of Directors of the Agro Dutch Industries Limited comprises of the Chairman cum Managing Director, who is a promoter director, one executive director, and 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 or not	Number of Outside Directorships of Public Ltd Companies	Materials Significant Pecuniary or Business Relationship with the Company
Mr. Malvinder Singh	Promoter-Executive	8	8	Yes	5	NIL
Mr. Gurpreet Singh	Promoter-Executive	8	6	No	4	NIL
Col. Satinder Singh (Retd.) **	Executive Director	8	8	Yes	3	NIL
Dr. H.S. Garcha	Independent -Non-Executive	8	6	No	NIL	NIL
Mr. S.R.K Agnihotri	Independent -Non-Executive	8	8	Yes	1	NIL
Mr. B.B. Huria	Independent -Non-Executive	8	6	No	2	NIL
Mr Arvind Kalra	Independent -Non-Executive	8	3	No	3	NIL
Mr. Ajay Arora	Independent -Non-Executive	8	4	No	2	NIL
Mr. Dilsher Singh	Director	8	0	No	2	NIL
Mr. P.K. Sethi	Nominee Director	8	6	No	NIL	NIL

**Resigned from directorship w.e.f. 2nd August, 2010

DETAILS OF BOARD MEETINGS HELD DURING THE YEAR

Date of Board Meeting	30 th April 2009	22 nd May 2009	31 st July 2009	11 th Sept. 2009	20 th Nov. 2009	15 th Jan. 2010	30 th Jan. 2010	12 th Feb. 2010
Board Strength	10	10	10	10	10	10	10	10
No. of Directors Present	8	7	7	8	7	6	8	4

DIRECTORS' ATTENDANCE RECORD & DIRECTORSHIPS

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

INFORMATION SUPPLIED TO THE BOARD

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

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

There have been no materially relevant pecuniary relationships or transactions between the Company and its Directors for the year 2009-10.

REMUNERATION OF DIRECTORS

Table 2 gives full details of remuneration paid/payable to each director. During 2009-10, the Company did not advance any loans to any of its directors.

TABLE 2: REMUNERATION PAID/PAYABLE TO DIRECTORS DURING 2009-2010 AND RELATIONSHIP, IF ANY

Name of Director	Sitting Fees (Rupees)	Remuneration Paid/Payable in 2009-2010 (Rs.) Salaries, Allowances and Perquisites (Rs.)	(Rs.) Commission	Total (Rs.)
Mr. Malvinder Singh	Nil	46,80,000	Nil	46,80,000
Mr. Gurpreet Singh	Nil	39,00,000	Nil	39,00,000
Col. Satinder Singh (Retd.)	Nil	11,70,000	Nil	11,70,000
Dr. H.S. Garcha	18,000	Nil	Nil	18,000
Mr. S.R.K Agnihotri	24,000	Nil	Nil	24,000
Mr. B.B. Huria	18,000	Nil	Nil	18,000
Mr. Arvind Kalra	9,000	Nil	Nil	9,000
Mr. Ajay Arora	12,000	Nil	Nil	12,000
Mr. Dilsher Singh	Nil	Nil	Nil	Nil
Mr. P.K Sethi	Nil	Nil	Nil	Nil

COMMITTEE OF DIRECTORS
AUDIT COMMITTEE

The Audit Committee of the Board was reconstituted during the year. The Audit Committee comprises five 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, fixation of audit fees and reviews internal control systems, scope for observations of the auditors. It met five times during the year and the composition of the committee as well as the attendance record of its members are as follows: -

TABLE 3: DETAILS OF THE AUDIT COMMITTEE

Name of the Member	No. of Meeting Held	No. of Meeting Attended	Sitting Fees (Rs.)
Dr. H.S. Garcha	5	5	15000
Mr. S.R.K. Agnihotri	5	5	15000
Mr. Arvind Kalra	5	2	6000

SHAREHOLDERS/INVESTORS GRIEVANCES AND SHARE/DEBENTURE TRANSFER COMMITTEE

The committee consists of two directors viz Mr. S.R.K. Agnihotri & Mr. Gurpreet Singh. This Committee deals with the transfer of shares, issue of duplicate share certificates and dematerialization of shares, investor grievances and complaints. The Board has appointed Mr. Vivek Atri as Compliance Officer. No valid transfer/transmission of share was pending as on 31st March, 2010.

REMUNERATION COMMITTEE

This Committee deals with the fixation of remuneration /sitting fees to the Directors etc. It 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
2006-2007	BAL BHAWAN, SECTOR 23-B, CHANDIGARH	29 th September, 2007 AT 11.30 A.M.
2007-2008	CHANDIGARH INSTITUTE OF HOTEL MANAGEMENT (FORMERLY FOOD CRAFT INSTITUTE), SECTOR 42-D, CHANDIGARH	30 th September, 2008 AT 11.30 A.M.
2008-2009	CHANDIGARH INSTITUTE OF HOTEL MANAGEMENT (FORMERLY FOOD CRAFT INSTITUTE), SECTOR 42-D, CHANDIGARH	12 th October, 2009 AT 10.30 A.M.

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) and The Financial Express (All Editions). All these information are also uploaded on the web-site of the Company i.e. www.agro-dutch.com

ANNUAL GENERAL MEETING

Date	Time	Venue
28.09.2010	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

27th September 2010 to 28th September 2010. (Both Days 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 ID. : investors@agro-dutch.com

REGISTRAR AND SHARE TRANSFER AGENT

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

SHARE TRANSFER SYSTEM

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

LISTING AND STOCK CODE

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

SHAREHOLDING PATTERN AS ON 31.03.2010

CATEGORY	NO. OF SHARES HELD	% OF HOLDING
A Promoters Holding		
1. Indian Promoters	82,54,461	15.41
2. Persons acting in concert	2,26,58,949	42.30
Sub Total	<u>3,09,13,410</u>	<u>57.71</u>
B Non Promoters Holding		
3. Institutional Investors		
a) Mutual Funds and UTI	7,900	0.01
b) Banks/Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Govt. Institutions)	18,00,000	3.37
c) Foreign Institutional Investors	10,000	0.02
Sub Total	<u>18,17,900</u>	<u>3.40</u>
4. Others		
a) Private Corporate Bodies	44,91,085	8.38
b) Indian Public	1,49,04,543	27.82
c) Non Resident Indians/Overseas Corporate Bodies	11,86,572	2.22
d) Any Other		
a) Directors	16,300	0.03
b) Clearing Members	2,35,190	0.44
Sub Total	<u>2,08,33,690</u>	<u>38.89</u>
Grand Total	5,35,65,000	100%

STOCK MOVEMENT DATA

Month	Bombay Stock Exchange			National Stock Exchange		
	High (Rs.)	Low (Rs.)	Monthly Volume	High (Rs.)	Low (Rs.)	Monthly volume
April 2009	12.35	8.26	40,76,549	12.10	8.25	4,62,837
May 2009	15.80	8.70	1,25,86,590	16.00	8.15	15,60,357
June 2009	15.79	10.71	69,13,106	15.85	10.55	5,97,947
July 2009	12.29	10.10	27,34,041	12.45	10.00	2,55,798
August 2009	14.25	10.09	1,00,55,733	14.30	10.10	6,13,744
Sept 2009	14.35	12.11	77,31,279	14.25	12.20	6,18,557
October 2009	15.79	12.20	1,11,56,931	15.90	12.40	11,70,071
November 2009	14.90	11.51	95,96,780	16.00	11.70	8,25,874
December 2009	15.45	13.05	1,21,93,098	15.10	13.05	10,80,804
January 2010	20.37	14.41	6,22,13,069	20.40	13.55	38,89,684
February 2010	16.75	15.20	60,90,933	16.85	15.15	5,34,089
March 2010	24.50	15.60	5,66,24,399	25.10	15.50	27,51,252

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2010

Category			Number of Cases	% of Cases	Amount	% of Amount
From		To				
01	-	5000	16619	79.15	31989930.00	5.97
5001	-	10000	2218	10.56	18458360.00	3.45
10001	-	20000	1074	5.12	17049900.00	3.18
20001	-	30000	347	1.65	9112560.00	1.70
30001	-	40000	153	0.73	5600200.00	1.05
40001	-	50000	140	0.67	6725370.00	1.26
50001	-	100000	202	0.96	15291470.00	2.85
100001	>	above	243	1.16	431422210.00	80.54
Total			20996	100.00	535650000.00	100.00

DEMATERIALIZATION OF SHARES

As on 31st March 2010, in total 3,13,56,575 (58.54% of the total number of shares) shares are in dematerialised form. The Company's shares are compulsorily traded in dematerialised form.

OUTSTANDING WARRANTS AND THEIR IMPLICATIONS ON EQUITY

The Company issued 10,00,000 (Ten Lacs) convertible warrants of Rs.10/- each, at a premium of Rs.13.00 per warrant to be converted into one equity share on 5th July, 2010 to the Financial Investors on preferential basis. Out of these warrants, 8,00,000 warrants were converted into equity shares on 23rd July, 2010.

INVESTOR CORRESPONDENCE

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

M/S. KARVY COMPUTERSHARE PVT. LIMITED

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

AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE

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, 2010 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 : 14.08.2010

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, 2010 and the Profit & Loss Account and also 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 ,and on the basis of such checks of the books and records of the company as we may consider appropriate. 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 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Without qualifying attention is drawn to;
 - (i) Note no. 6k of Schedule 18 regarding pending necessary approval for managerial remuneration as explained in the said note.
 - (ii) Note no. 9 of schedule 18 regarding adjustment of foreign currency expenses incurred by customers on behalf of company as stated in the said note.
 - (iii) Note no. 1B of schedule 18 regarding pending export obligations against machinery imported under advance license as stated in the said note.
- g) 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 Significant Accounting Policies and Notes thereon, give the information as 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, 2010;
 - 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 of the company for the year ended on that date.

For Suresh Mittal & Associates
Chartered Accountants
FRN003800N
(Suresh Mittal)
Partner
Membership No 82740

PLACE : Village Tofapur
Dated : 2.8.2010

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, 2010.

- i. a. The Company has maintained proper records in respect of fixed assets showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, the management has physically verified certain fixed assets according to a phased programme of periodic verification which, in our opinion is reasonable having regard to the size of the company and nature of the assets. As informed, no material discrepancies between book records and physical inventory have been noticed in respect of the fixed assets physically verified during the year.
- 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) As informed 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 taken loan from a party covered in the register maintained under section 301 of the Companies Act, 1956. Total number of party is one, the maximum amount involved during the year was Rs 16, 60, 50,000 and the year end balance of loan taken from such party was Rs 2, 63, 10,000.
- c) In our opinion and according to information and explanations given to us, the rate of interest and other terms and conditions for such loan are not prima facie prejudicial to the interest of the company.
- d) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest have been regular
- 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/ sold 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 we have 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. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank Of India or any court or any other Tribunal
- 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, the dues outstanding of income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty and on account of any cess are as under;

Sr. No.	Nature of Statue	Particulars	Duty/ Service Tax Involved	Period	Forum where dispute is pending
1	Finance Act	GTA Service Tax Outward	173,265	Jan 2005- Nov 05	Appeal filed in CESTAT, New Delhi
2	Finance Act	GTA Service Tax Outward	356,575	Oct 2006- 10.5.2007	Appeal filed in CESTAT - New Delhi
3	Finance Act	GTA Service Tax Outward	51,817	Mar 2008- June 2008	Commissioner appeals Chandigarh.
4	Finance Act	Service Tax on Business Exhibition.	215,288	1-10-2004 to 17.2.2006	A. C - Dera Bassi.
5	Finance Act	Service Tax on Business Exhibition.	140,318	April 2007- to March 2008	Commissioner appeals Chandigarh.
6	Finance Act	Service Tax on Business Exhibition.	98,396	April 2008- to March 2009	A. C - Dera Bassi.
7	Custom	Additional Custom Duty	540,000	Oct 2003 onwards	Appeal filed in CESTAT, New Delhi
Total			1,575,659		

- x. The company has accumulated losses as at 31.3.2010 less than fifty percent of its net worth. Company has incurred cash losses in the financial year ended on that date and also incurred cash losses in the immediately proceeding 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	No of Day overdue	Principal Amount	Date of Default	No of Day overdue	Interest	Date of Default	No of Day overdue
254.01	15-Mar-09	382	504.00	Oct-09	162	61.22	31-Dec-09	91
122.77	1-Jun-09	304	1323.55	Nov-09	140	47.16	1-Jan-10	90
95.90	31-Jul-09	244	470.50	Dec-09	106	3.63	31-Jan-10	60
254.01	15-Sep-09	198	988.00	Jan-10	69	3.28	28-Feb-10	32
114.39	30-Nov-09	122	565.00	Feb-10	45	6.17	31-Dec-09	91
475.00	30-Nov-09	122	1229.00	Mar-10	35	61.22	31-Dec-09	91
274.82	31-Dec-09	91	Interest			3.63	31-Jan-10	60
122.77	1-Jan-10	90	54.24	1-Jun-09	304	3.28	28-Feb-10	32
254.01	15-Mar-10	17	6.07	31-Jul-09	244			
79.00	Jun-09	285	63.77	15-Sep-09	198			
217.00	Aug-09	213	3.44	30-Nov-09	122			
94.00	Sep-09	197	6.17	31-Dec-09	91			

- 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 and the terms and condition thereof are not prejudicial to the interest of the company.
- 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. On the basis of information and explanations given to us, and on the basis of an overall examination of the balance sheet of the company, no funds raised on short term basis have been utilised for long term investments.
- 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 31.3.2010.
- 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
FRN003800N
(Suresh Mittal)
Partner
Membership No 82740

PLACE : Village Tofapur
Dated : 2.8.2010

BALANCE SHEET AS AT 31st MARCH 2010

PARTICULARS	SCHEDULE	AS ON 31 ST MARCH 2010	AS ON 31 ST MARCH 2009
1. SOURCES OF FUNDS :			
i) Shareholder's Fund			
a) Share Capital	1	932,061,000	335,650,000
b) Reserves & Surplus	2	<u>1,007,718,931</u>	<u>1,142,950,232</u>
		1,939,779,931	1,478,600,232
ii) Loan Funds			
a) Secured Loans	3	3,895,413,927	3,936,366,385
b) Unsecured Loans	4	<u>258,369,589</u>	<u>4,153,783,516</u>
-		-	-
-		-	-
iii) Deferred Tax liabilities (Net)	5	-	190,786,737
Total		<u>6,093,563,447</u>	<u>5,605,753,354</u>
2. APPLICATION OF FUNDS:			
i) Fixed Assets	6		
a) Gross Block		3,742,907,353	3,645,613,046
b) Depreciation		<u>945,316,580</u>	<u>787,713,672</u>
c) Net Block		2,797,590,774	2,857,899,374
d) Capital Work-in-Progress		<u>1,230,555,804</u>	<u>4,028,146,578</u>
-		-	-
ii) Investments		-	-
iii) Current Assets, Loans & Advances			
A) Current Assets			
a) Inventories	7	1,215,254,101	1,543,099,653
b) Debtors	8	200,139,410	71,801,334
c) Cash & Bank Balances	9	96,825,038	157,165,792
B) Loans & Advances	10	<u>269,449,764</u>	<u>346,215,296</u>
Total (iii)		<u>1,781,668,313</u>	<u>2,118,282,076</u>
iv) Less : Current liabilities & Provisions	11		
a) Current Liabilities		322,497,578	657,399,827
b) Provisions		<u>2,306,262</u>	<u>3,903,724</u>
-		-	-
-		-	-
Total		<u>324,803,840</u>	<u>661,303,551</u>
Net Current Assets (iii) - (iv)		1,456,864,473	1,456,978,526
v) Misc. Expenditure (to the extent not written off)	12	659,905	4,525,082
vi) Profit and Loss account		484,414,696	-
vii) Deferred Tax Assets (Net)	5	<u>123,477,795</u>	-
Total		<u>6,093,563,447</u>	<u>5,605,753,354</u>

Notes on Accounts 18

This is the Balance sheet referred to in our report of even date

For Suresh Mittal & Associates
Chartered Accountants

Suresh Mittal
Partner

Place : Village Tofapur
Dated : 02.08.2010

Gurpreet Singh
Executive Director

Raj Kumar Mehra
G.M. (Accounts)

For and on Behalf of the Board

Malvinder Singh
Chairman & Managing Director

Vivek Atri
CFO & Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31st MARCH 2010

PARTICULARS	SCHEDULE	AS ON 31 ST MARCH 2010	AS ON 31 ST MARCH 2009
A. INCOME			
Sales			
- Exports		887,720,351	1,292,140,893
- Domestic		82,974,521	98,838,906
Less Excise Duty		7,133,485	6,859,952
Net Sales		963,561,387	1,384,119,847
Other Income		86,487,400	82,261,349
Accretion In Stock		(154,034,892)	179,657,571
Total Income		896,013,896	1,646,038,767
B. EXPENDITURE			
Raw Material Consumed		543,444,029	679,607,979
Manufacturing Expenses	13	426,218,924	599,713,994
Salaries, Wages And Other Benefits	14	36,235,992	40,226,636
Administrative Expenses	15	56,316,120	64,604,915
Interest and Finance Charges	16	351,611,332	290,029,263
Selling & Other Expenses	17	175,794,340	265,389,453
Depreciation	6	160,109,227	145,222,010
Expenses Written Off		3,865,177	4,145,201
Total Expenditure		1,753,595,142	2,088,939,451
PROFIT/(LOSS) FOR THE PERIOD BEFORE TAX		(857,581,246)	(442,900,684)
Less Tax Expense			
Current Tax			
Income Tax/Wealth Tax		210,428	234,736
Less :			
Fringe Benefit		-	2,276,055
Deferred Tax Liability. (Asset)		(314,264,532)	(174,028,066)
Previous Year Tax		-	2,261,926
Previous Year Exp./ (Income)		(1,177,840)	-
Less Extra ordinary items		77,296,695	70,154,039
PROFIT/(LOSS) FOR THE PERIOD AFTER TAX		(619,645,997)	(343,799,375)
Balance Available for Appropriation		(619,645,997)	(343,799,375)
Last year Profit brought forward		135,231,301	479,030,676
PROFIT/(LOSS) TRANSFERRED TO BALANCE SHEET		(484,414,696)	135,231,301
Earning per Share (Basic)		(11.57)	(10.24)
Earning per Share (Diluted)		(11.57)	(10.24)
Nominal value per Share		10	10

Notes on Accounts 18

This is the Profit & Loss Account referred to in our report of even date.

For Suresh Mittal & Associates
Chartered Accountants

Suresh Mittal
Partner

Place : Village Tofapur
Dated : 02.08.2010

Gurpreet Singh
Executive Director

Raj Kumar Mehra
G.M. (Accounts)

For and on Behalf of the Board

Malvinder Singh
Chairman & Managing Director

Vivek Atri
CFO & Company Secretary

SHARE CAPITAL		SCHEDULE 1	
PARTICULARS	AS ON 31ST MARCH 2010	AS ON 31ST MARCH 2009	
Authorised Share Capital			
Equity Share Capital			
7,00,00,000 Equity Shares of Rs.10/-each	700,000,000	700,000,000	
Preference Share Capital			
40,00,000 Preference Shares of Rs.100/-each (Previous year 10,00,000 Preference share of Rs 100/- each)	400,000,000	100,000,000	
	1,100,000,000	800,000,000	
Issued, Subscribed and paid up Capital			
5,35,65,000 Equity Share of Rs 10/- Each (Previous year 3,35,65,000 Equity share of Rs 10/- each)	535,650,000	335,650,000	
Preference Share Capital			
6% Optionally Convertible Cumulative Redeemable Preference Shares (39,64,110 Preference Shares of Rs 100/- each)	396,411,000	-	
Total	932,061,000	335,650,000	

During the year company allotted 39,64,110 6% Optional Convertible Cumulative Redeemable Preference Shares of Rs. 100/- each to the lenders as per terms of CDR. The OCCRPS are redeemable in 4 Equal instalments starting from 2015-16 and ending in 2018-19. The holders of OCCRPS, in case of default by the company having right/option to convert OCCRPS into equity at the end of four years. The Promoters shall have the right of first refusal in case of conversion of OCCRPS into equity.

RESERVE & SURPLUS		SCHEDULE 2	
PARTICULARS	AS ON 31ST MARCH 2010	AS ON 31ST MARCH 2009	
GENERAL RESERVE			
As per previous year balance sheet	559,224,181	559,224,181	
PROFIT AND LOSS ACCOUNT			
Amount transferred from Profit & Loss Account	-	135,231,301	
CAPITAL RESERVE			
Share Forefieted Account			
Opening Balance	16,707,250.00	221,000.00	
Additions during the year	-	16,707,250	16,707,250
Share Premium Account			
Opening Balance	431,787,500	402,475,000	
Additions during the year	-	29,312,500	-
	431,787,500	431,787,500	
Total	1,007,718,931	1,142,950,232	

SECURED LOANS		SCHEDULE 3	
PARTICULARS	AS ON 31ST MARCH 2010	AS ON 31ST MARCH 2009	
Rupee Term Loans			
- from Banks	1,383,482,924	1,203,847,966	
Working Capital Term Loans			
- from Banks	457,651,754	-	
Working Capital Demand Loans			
- from Banks	235,596,134	-	

Funded Interest term Loan-1		
- from Banks	267,666,706	-
Funded Interest term Loan-2		
- from Banks	31,911,868	-
Foreign Currency Loans		
- from Banks	414,457,269	472,301,586
Working Capital Limits		
- from Banks	984,247,049	1,889,077,168
Corporate Term Loans		
- from Banks	84,515,392	198,043,814
Short Term Loans	3,743,720	125,412,559
Interest accrued & Due	32,141,112	47,683,292
	3,895,413,927	3,936,366,385

The abovesaid Term Loan/WCTL/FITL/FCL/Corporate term loans are secured by way of pari passu first charge on the Fixed assets of the company and Pari passu second charge on current assets of the company, present and future.

Working capital facilities are secured by way of pari passu first charge on the current assets of the company and pari passu second charge of the fixed assets of the company, present and future.

The above said Term Loan/WCTL/FITL (except Foreign Currency Loans) and working capital facilities are further secured by way of guarantee of two directors of the company as well as pledge of their 100% holding (present and future) in the company

Foreign currency loan from M&T is secured by hypothecation of equipment

Short Term Loans are secured against hypothecation of vehicles.

UNSECURED LOANS	SCHEDULE 4	
PARTICULARS	AS ON 31ST MARCH 2010	AS ON 31ST MARCH 2009
Short Term loan from Banks including interest accrued	202,759,589	-
From Others	55,610,000	-
	258,369,589	-

DEFERRED TAX ASSETS/(LIABILITIES)	SCHEDULE 5	
PARTICULARS	AS ON 31ST MARCH 2010	AS ON 31ST MARCH 2009
Assets	532,234,035	205,754,231
Liabilities	408,756,239	396,540,968
	123,477,795	(190,786,737)

INVENTORIES	SCHEDULE-7	
PARTICULARS	AS ON 31ST MARCH 2010	AS ON 31ST MARCH 2009
Raw Materials	104,043,810	262,582,377
Stores and Spares	16,610,027	31,882,119
Work in Process	525,354,016	711,802,558
Finished Goods	569,246,249	536,832,598
	1,215,254,101	1,543,099,652

FIXED ASSETS

SCHEDULE - 6

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				WDV	
	As on 01.04.2009 (Rs.)	Additions during the period (Rs.)	Deletions during the period (Rs.)	Total as on 31-3-2010 (Rs.)	As on 01-04-2009 (Rs.)	During the period (Rs.)	Adjustments during the year (Rs.)	Total as on 31-3-2010 (Rs.)	As on 31-3-2010	As on 31.3.2009
LAND	97,558,353	-	-	97,558,353	-	-	-	-	97,558,353	97,558,353
BUILDING										
- FACTORY	1,512,865,537	30,727,601	-	1,543,593,138	234,653,283	51,004,215	-	285,657,498	1,257,935,641	1,278,212,254
- NON FACTORY	1,421,629	-	-	1,421,629	187,125	23,173	-	210,298	1,211,331	1,234,504
PLANT & MACHINERY (IMP)										
CONTINUOUS	177,070,899	21,217,817	-	198,288,716	29,128,932	9,670,824	-	38,799,756	159,488,960	147,941,967
OTHERS	332,530,414	-	-	332,530,414	119,423,080	15,795,195	-	135,218,275	197,312,139	213,107,334
PLANT & MACHINERY (IND)										
CONTINUOUS	1,120,665,264	39,977,888	-	1,160,643,152	292,137,218	59,714,977	-	351,852,195	808,790,957	828,528,046
OTHERS	284,063,187	201,441	720,000	283,544,628	61,592,953	13,476,503	47,134	75,022,322	208,522,306	222,470,234
VEHICLES	80,639,563	5,539,086	-	86,178,649	31,000,732	7,749,294	-	38,750,026	47,428,623	49,638,831
FURNITURE & FIXTURE	27,262,296	247,247	-	27,509,543	9,028,132	1,732,758	-	10,760,890	16,748,653	18,234,164
COMPUTERS	11,535,904	103,227	-	11,639,131	10,562,217	942,289	2,459,185	9,045,321	2,593,810	9,73,687
Total	3,645,613,046	98,014,307	720,000	3,742,907,353	787,713,672	160,109,227	2,506,319	945,316,580	2,797,590,774	2,857,899,374
Previous year figures	3,121,537,798	524,075,248		3,645,613,046	642,491,662	145,222,010	-	787,713,672	2,857,899,374	2,479,046,136

*Capital Work in Progress Including Capital Advances

1,230,555,804 1,286,350,372

4,028,146,578 4,144,249,746

DEBTORS (UNSECURED CONSIDERED GOOD)		SCHEDULE-8	
PARTICULARS	AS ON 31ST MARCH 2010	AS ON 31ST MARCH 2009	
Sundry Debtors			
Six Months Old	170,171,247	99,870,003	
Others	150,170,894	323,493,666	
Total	320,342,141	423,363,669	
LESS : Bills discounted with the Company's Bankers	120,202,731	351,562,335	
	200,139,410	71,801,334	
CASH AND BANK BALANCES			SCHEDULE - 9
PARTICULARS	AS ON 31ST MARCH 2010	AS ON 31ST MARCH 2009	
Cash in hand	1,615,954	1,305,851	
Balances With Scheduled Banks			
In Current Accounts	68,190,513	7,381,665	
In EEFC Accounts	90,349	215,000	
Margin Money with banks	26,928,221	35,763,277	
Fixed Deposit with Banks	-	112,500,000	
	96,825,038	157,165,793	
LOANS & ADVANCES (UNSECURED CONSIDERED GOOD)			SCHEDULE - 10
PARTICULARS	AS ON 31ST MARCH 2010	AS ON 31ST MARCH 2009	
Advances recoverable in cash or kind or for the value to be received	119,968,533	197,536,896	
Other Receivables - Transport Assistance	92,929,328	83,131,162	
Security Deposits	9,733,852	11,161,096	
Union Excise Duty	4,620	4,620	
Pre Paid Expenses	3,221,419	10,789,510	
Mat Credit entitlement	43,592,012	43,592,012	
	269,449,764	346,215,296	
CURRENT LIABILITIES & PROVISIONS			SCHEDULE- 11
PARTICULARS	AS ON 31ST MARCH 2010	AS ON 31ST MARCH 2009	
Current Liabilities			
Sundry Creditors			
Due to Micro & Small Enterprises	9,907,567	5,664,882	
**Others	181,569,452	271,210,453	
Interest Accrued but not due	2,007,851	7,188,003	
Expenses Payable	99,324,818	284,386,437	
Statutory Liabilities	1,606,746	2,029,045	
Sundry Advances	14,331,211	8,668,938	
Others	13,749,933	78,252,069	
Total (a)	322,497,578	657,399,827	
Gratuity	2,095,834	1,892,933	
Provisions for Income /Wealth Tax (Net of payments)	210,428	2,010,791	
Total (b)	2,306,262	3,903,724	
Total (a+b)	324,803,840	661,303,551	

**Note : Sundry Creditors includes Creditors for Capital Goods of Rs. 101,943,054

MISCELLANEOUS EXPENDITURE
(to the extent not written off or adjusted)

SCHEDULE - 12

PARTICULARS	AS ON 31ST MARCH 2010	AS ON 31ST MARCH 2009
Deferred Revenue Expenses	659,905	3,115,637
Right Issue Expenses	-	1,409,445
	659,905	4,525,082

MANUFACTURING EXPENSES

SCHEDULE-13

PARTICULARS	AS ON 31ST MARCH 2010	AS ON 31ST MARCH 2009
Laboratory Expenses	379,413	1,054,542
Diesel	28,986,136	39,274,884
Consumables	17,457,227	26,016,762
Power & Fuel	223,641,919	322,661,739
Repair & Maintainance	31,171,369	39,831,959
Labour	30,677,940	40,506,848
Material Handling Charges	93,904,920	130,367,260
	426,218,924	599,713,994

SALARIES, WAGES AND OTHER BENEFITS

SCHEDULE- 14

PARTICULARS	AS ON 31ST MARCH 2010	AS ON 31ST MARCH 2009
Salary	18,882,763	18,701,083
Director's Remuneration	9,750,000	10,920,000
Staff Welfare	941,135	1,528,274
Uniforms	133,584	748,533
Provident Fund	2,220,870	2,816,575
Bonus	1,267,941	1,493,694
Employee State Insurance	1,388,956	1,866,955
Earned Leave Encashment	1,126,324	1,051,092
Gratuity	524,419	1,100,430
	36,235,992	40,226,636

ADMINISTRATIVE EXPENSES

SCHEDULE - 15

PARTICULARS	AS ON 31ST MARCH 2010	AS ON 31ST MARCH 2009
Advertisement	251,120	1,572,423
AGM/EGM Expenses	80,570	19,561
Auditors Remuneration	600,000	600,000
Business Promotion	27,906	230,228
Charity and donation	15,200	152,100
Exhibition Expenses	1,007,340	1,150,293
Hiring charges	506,591	623,547
Insurance Charges	14,319,865	15,829,836
Lease Rent	562,833	636,300
Legal & Professional Fee	5,034,144	5,193,092
Miscellaneous Expenses	722,873	1,293,042
Newspaper,Books & Periodicals	69,185	31,008
Office Expenses	371,319	617,600
Printing & Stationery	1,383,714	1,657,425
Rates,Fees & Taxes	3,474,033	2,446,059
Rent	659,900	823,640

Sitting Fees	125,000	98,800
Subscription	127,319	561,040
Telephone, Postage & Telegramme	3,096,756	4,269,184
Travelling Expenses	22,649,140	25,257,991
Vehicle Running & Maintenance	1,231,313	1,541,747
	56,316,120	64,604,915

INTEREST AND FINANCE CHARGES
SCHEDULE - 16

PARTICULARS	AS ON 31ST MARCH 2010	AS ON 31ST MARCH 2009
Interest on Term Loan	135,841,942	70,097,872
Interest on Working Capital	197,112,685	198,721,372
Bank Charges	18,656,706	21,210,019
	351,611,332	290,029,263

SELLING AND OTHER EXPENSES
SCHEDULE- 17

PARTICULARS	AS ON 31ST MARCH 2010	AS ON 31ST MARCH 2009
Freight Outward	72,680,020	107,295,950
Anti Dumping Duty Expense	2,708,718	5,149,080
Selling Expenses - Custom Duties & Others	61,796,970	99,433,857
Packing Expenses	38,608,632	53,510,566
	175,794,340	265,389,453

ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS
SCHEDULE- 18

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 effects 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 of construction/acquisition less accumulated depreciation and impairment losses. 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 unit as on 31.3.2010 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 , gratia 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.

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

1a. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:-

Particulars	(Rs. In Lacs)	
	Current Year	Previous Year
Letter of credit established by the Company	655.98	696.71
Bills discounted with Company's Bankers	1202.02	3515.62
Collateral Security Bond with US Customs and Protection USA	128.76	725.00
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	15.00
Litigation Pending against company and not provided for	112.93	191.31
Us Anti Dumping Duty	-	772.96
Guarantee given to AXIS Bank (Against facilities to farmers/JLGs)	600.00	600.00
Preference Dividend on 6% OCCRPS for 2009-10 including Dividend Tax thereon.	277.09	-

- 1b. Company duty saved on Machinery imported for CAN making unit against advance license scheme as on 31st March, 2010 and 31st March, 2009 is Rs. 2105.52 lacs and 2083.69 lacs respectively. The management is of the view that considering the future export prospects there is certainty that pending export obligation under advance licenses will be fulfilled before expiry of respective licenses.
2. Company has provided Rs. 27.08 lacs towards liability of Anti Dumping Duty for the period 1-2-2009 to 31-1-2010. 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	
			2009-10	2008-09
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	39,00,000
Shri A.P. Singh Sandhu	Key Management	Director's Remuneration	—	11,70,000
Col. Satinder Singh	Key Management	Director's Remuneration	11,70,000	11,70,000
Saptarishi Agro Industries Ltd.	Directors interested	Rent	2,20,000	2,64,000
Penta Homes Pvt. Ltd	Directors interested	Loan	16,60,50,000	—

4. Earning Per Share

	(Rs. In Lacs)	
	Current Year	Previous Year
Profit After Tax	(6196.46)	(3437.99)
Preference Dividend	—	—
Profit Attributable to ordinary share holders	(6196.46)	(3437.99)
Nos. of Ordinary shares	5,35,65,000	3,35,65,000
Nominal value of Ordinary share	Rs 10/-	Rs 10/-
Earning per share Basic	(11.57)	(10.24)
Earning per share Diluted	(11.57)	(10.24)

5. Deferred Tax Liability

	Deferred Tax Liability/ (asset) As at 1.04.2009 Rs. Lacs	Current Year charge/ (Credit) Rs. Lacs	Deferred Tax Liability/ (asset) As at 31.03.10 Rs. Lacs
Deferred Tax Liability			
Difference between book and Tax depreciation	3965.41	122.15	4087.56
Deferred Tax Asset:			
Gratuity	5.80	1.32	7.12
Interest	186.50	(132.01)	54.49
Business Loss	1865.24	3395.48	5260.72
Total	2057.54	3264.79	5322.33
Net Deferred Tax Liability (Asset)	1907.87	3142.64	(1234.77)

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
a. Class of Goods :				
White Button/ P&S Mushrooms				
EXPORT SALES (Canned) Mushroom	9349.96	8877.20	10920.81	12921.41
DOMESTIC SALES (Others)	—	829.74	—	988.39
b. Particulars capacity and production				
	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	60000	36000
Actual Production	12866.11	8440.54	25852.17	13872.51
c. Detail of Opening Stock, Production, Sales and Closing Stock.				
PARTICULARS	UOM	Current Year	Previous Year	
FRESH MUSHROOM				
Opening Stock	QTY in MT	-	-	
Production	QTY in MT	12886.11	25852.17	
Closing Stock	QTY in MT	-	-	
Closing Stock Value	Rs in Lacs	-	-	
CANNED MUSHROOM				
Opening Stock	QTY in MT	6718.27	3906.78	
Production	QTY in MT	8440.54	13872.51	
Closing Stock	QTY in MT	5945.98	6718.27	
Closing Stock Value	Rs. (Lacs)	5382.50	4855.02	
SALES				
Fresh Mushroom	Qty in MT	1780.96	6.25	
	Rs. (Lacs)	216.02	0.98	
Canned Mushroom	Qty in MT	9699.78	10920.81	
	Rs. (Lacs)	8977.96	12921.41	
Other Sales	Rs. (Lacs)	512.96	988.39	
		(Rs. In lacs)		
		Current Year	Previous Year	
d. CIF Value of Imports				
Capital Goods		10.29	715.32	
Raw Material & Consumables		354.68	3169.76	
Spares & Components		26.09	40.24	
e. Earning in Foreign Currency				
FOB Value of Exports		7861.87	11276.51	
Interest		-	0.59	

f. Expenses in foreign currency

Travelling	40.84	26.37
Interest and Finance charges	316.55	383.09
Legal & Professional Charges	12.20	28.08
Rates and taxes	-	6.75
Subscription	1.27	4.76
Others	17.52	28.26

g. Foreign Currency Remittance (Repayment of Foreign currency loan) - 276.59

h. Details of Raw Material Consumed

Sr. Particulars	UM	Value (in Lacs)			
		Current Year		Previous Year	
		Quantity	Value	Quantity	Value
1 Wheat Straw	MT	61283.45	2345.75	85683.96	1840.13
2 Chicken Manure	Cft	5035743	760.94	4715197	737.58
3 LDPE Granules	MT	489.78	348.84	682.72	621.17
4 Tin Plate	MT	1713.84	926.81	3020.42	1568.46
5 Others (Lacquer, Spawn, Copper wire, Cow dung etc)			1051.66		2028.74

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

Particulars	(Rs. In lacs)			
	Current Year		Previous Year	
	%age	Value	%age	Value
Raw Material				
Imported	1276.80	23.50	2335.10	31.71
Indigenous	4157.20	76.50	4641.98	68.29
Spare parts and Components				
Imported	27.19	10.09	45.64	13.67
Indigenous	242.38	89.91	288.08	86.33

j) Auditors Remuneration

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

k) Remuneration paid/payable to managing director and executive director for 2009-10 amounting to Rs. 46.80 lacs and Rs. 39.00 lacs respectively, approval of the central Govt. is pending.

7. SEGMENT INFORMATION

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

8. a) Prior Period adjustments represents

Particulars	Rs. in Lacs	
	Current Year	Previous Year
Debits relating to Earlier Years		
On account of Income Tax	-	22.62
Others	(11.78)	-

b) Foreign Currency Gain / (loss)

Particulars	Rs. in Lacs	
	Current Year	Previous Year
Sales	(297.39)	352.46
Financial Charges	573.12	(701.54)

c) Other Income Includes :

Particulars	Rs. in Lacs	
	Current Year	Previous Year
Insurance Claims	15.70	5.48
Interest	33.11	172.74
Vishesh Krishi Udyog Vikas Yozna	393.09	211.94
Others	422.97	432.45
Total	864.87	822.61

d) Extra ordinary items represents additional anti dumping duty of Rs.772.97, which on the legal advice of the Company's attorney in USA was not provided during 2008-09, though the demand for the same was raised last year. Since confirmation has been received from the attorney during the year and as such the same has been charged to Profit and Loss account in current year.

- 9 Pending necessary approval company has adjusted Rs. 1338,02,600 on account US customs duty paid/payable by customer on behalf of company against dues from that party on account of exports made. Had the adjustment been not made debtors would have been higher by Rs. 1338,02,600 with corresponding increase in expenses payable.
10. The Company received Rs 2000.00 lacs against conversion of Preferential Allotment of Warrants during 2009-10. 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	2000.00

- 11 Valuation of Work-in-Process & Finished Goods being a technical matter has been taken as certified by the Management and cost Accountant
12. 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. 97.98 Lacs for 2009-10. 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 26.76 Lacs (Previous year 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 24.10 Lacs (Previous year 3.23 Lacs) on Diesel has been adjusted against consumption of diesel
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 31st March 2010 amounts to Rs.99,07,567/- (Previous Year : Rs. 56,64,882/-)
- Further as per information available 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.
15. In the opinion of the management, the Current Assets, Loans & Advances are approximately of the value which may be realized in the ordinary course of business except stated otherwise. The provisions for all the known liability are adequate.
16. During the year company's proposal for corporate restructuring was approved. The scheme inter alia includes restructuring of repayment schedule interest funding as FITL, concession of interest rate, conversion of irregular working capital into 39,64,110 6% Optional cumulative convertible preference shares of Rs. 100/- each. Necessary transactions have been carried out in the current financial year as per terms and conditions of Master Restructuring Agreement.

17. Previous year figures have been regrouped or rearranged wherever necessary.
 18. Schedule 1 to 18 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	Current Year Figures	Rs. In Lacs Previous Year Figures
Employer’s Contribution to Provident Fund	6.79	7.59
Employer’s Contribution to Superannuation Fund		-
Employer’s Contribution to Employee’s State Insurance	13.89	18.67
Employer’s Contribution to Employee’s Pension Scheme, 1995	15.42	17.23
Total	36.10	43.49

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
1	Current Service Cost	12.35
2	Interest Cost	4.01
3	Acturial Gain/(Loss)	-
4	Benefits Paid	(3.26)
	Closing DBO as at the end of the year	63.28

- 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
1	Expected Return on Plan Assets	2.63
2	Acturial Gain/(Loss)	0.86
3	Contribution by Employer	12.38
4	Benefits Paid	(3.26)
	Closing Fair Value of Plan assets	44.35

- 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	63.28
	Unfunded Obligations	-
2	Fair Value of Plan Assets	(44.35)
	Net Liability/(Assets) recognised in Balance Sheet	18.93

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

Sr.No.	Particulars	Rs. In Lacs	
		Gratuity	
1	Current Service Cost	4.21	10.48
2	Interest Cost	5.06	4.01
3	Expected Return on Plan Assets	(3.68)	(2.63)
4	Actuarial (Gain)/Losses	(0.35)	(0.86)
5	Past Service Cost	-	-
Total		5.24	11.00

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	-	-
Total		44.35	100%

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	4.03	3.49
Total		4.03	3.49

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

Sr.No.	Particulars	Rs. In Lacs	
		Gratuity	
1	Attrition Rate	5.65%	5.65%
2.	Discount Rate	8.00%	8.00%
2	Expected Rate of Return on Plan Assets	9.15%	8.30%
3	Salary Escalation Rate	7.00%	7.00%

For Suresh Mittal & Associates
Chartered Accountants

For and on Behalf of the Board

Suresh Mittal
Partner

Gurpreet Singh
Executive Director

Malvinder Singh
Chairman & Managing Director

Place : Village Tofapur
Dated : 02.08.2010

Raj Kumar Mehra
G.M. (Accounts)

Vivek Atri
CFO & 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	31.03.2010		

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

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	596411

III. Position of Mobilization and deployment of Funds

(Amount in Rs. Thousands)

	Total Liabilities	Total Assets
	6093563	6093563
Sources of funds	Paid up capital	Reserves & Surplus
	932061	1007719
	Secured Loans	Unsecured Loans
	3895414	258370
	Deferred Tax Liability	
Application of funds	Net Fixed Assets	Investments
	4028147	Nil
	Net Current Assets	Misc. Expenditure
	1456864	660
	Accumulated Losses	Deferred Tax Assets (Net)
	484415	123478

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

Turnover	1050049	Total Expenditure	1907630
Profit/(Loss) Before Tax	(857581)	Profit/(Loss) After Tax	(619646)
Earning Per Share (EPS)	(11.57)	Dividend	NIL

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

i) Item Code No. (ITC Code)	07095100
Product Description	Mushrooms
ii) Item Code No. (ITC Code)	07310210
Product Description	Metal Cans
iii) Item Code No. (ITC Code)	07115100
Product Description	Preserved Mushrooms

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2010

	2009-10 (RS. IN LACS) CURRENT YEAR	2008-09 (RS. IN LACS) PREVIOUS YEAR
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS	(8,575.81)	(4429.01)
ADJUSTMENT FOR :-		
Depreciation and Amortisation	1,576.03	1,493.67
Miscellaneous Expenses W/o	38.65	0.00
Interest/Dividend	3,516.11	2,900.29
Increase/(Decrease) in Other Payable	(2,511.01)	713.02
Increase/(Decrease) in Trade Payable	(853.98)	597.26
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(6,810.02)	1,275.23
INCREASE IN :-		
Trade & Other Receivable	1,283.38	428.45
Inventories	(3,278.46)	1831.29
(Increase)/Decrease in Working Capital	6692.34	(3357.76)
Increase in Loans & Advances	(767.66)	144.77
CASH GENERATED FROM OPERATIONS	(10,739.63)	2,228.48
Interest Paid	3,516.11	2,900.29
Income Tax	2.10	47.73
	3,518.22	2,948.02
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(14,257.84)	(719.54)
Extraordinary Items including Previous Year Exp.	761.19	701.54
Net Cash from Operating Activities	(15,019)	(1,421.08)
B. CASH FLOW IN INVESTING ACTIVITIES		
NET CASH USED IN INVESTING ACTIVITIES	415.00	6,047.14
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short Term Borrowing	(1,216.69)	1,549.57
Proceeds from Long Term Borrowings	7499.50	4,282.43
Proceeds from Unsecured Loans	2,583.70	
Proceeds from Issue of Capital	5,964.11	414.56
NET INCREASE/(DECREASE) IN CASH	(603.41)	(1,221.66)
CASH AND CASH EQUIVALENTS AS AT 01.04.2009	1,571.66	2,793.32
CASH AND CASH EQUIVALENTS AS AT 31.03.2010	968.25	1,571.66

For Suresh Mittal & Associates
Chartered Accountants

For and on Behalf of the Board

Suresh Mittal
Singh Partner

Gurpreet Singh
Executive Director

Malvinder
Chairman & Managing Director

Place : Village Tofapur
Dated : 02.08.2010

Raj Kumar Mehra
G.M. (Accounts)

Vivek Atri
CFO & Company Secretary

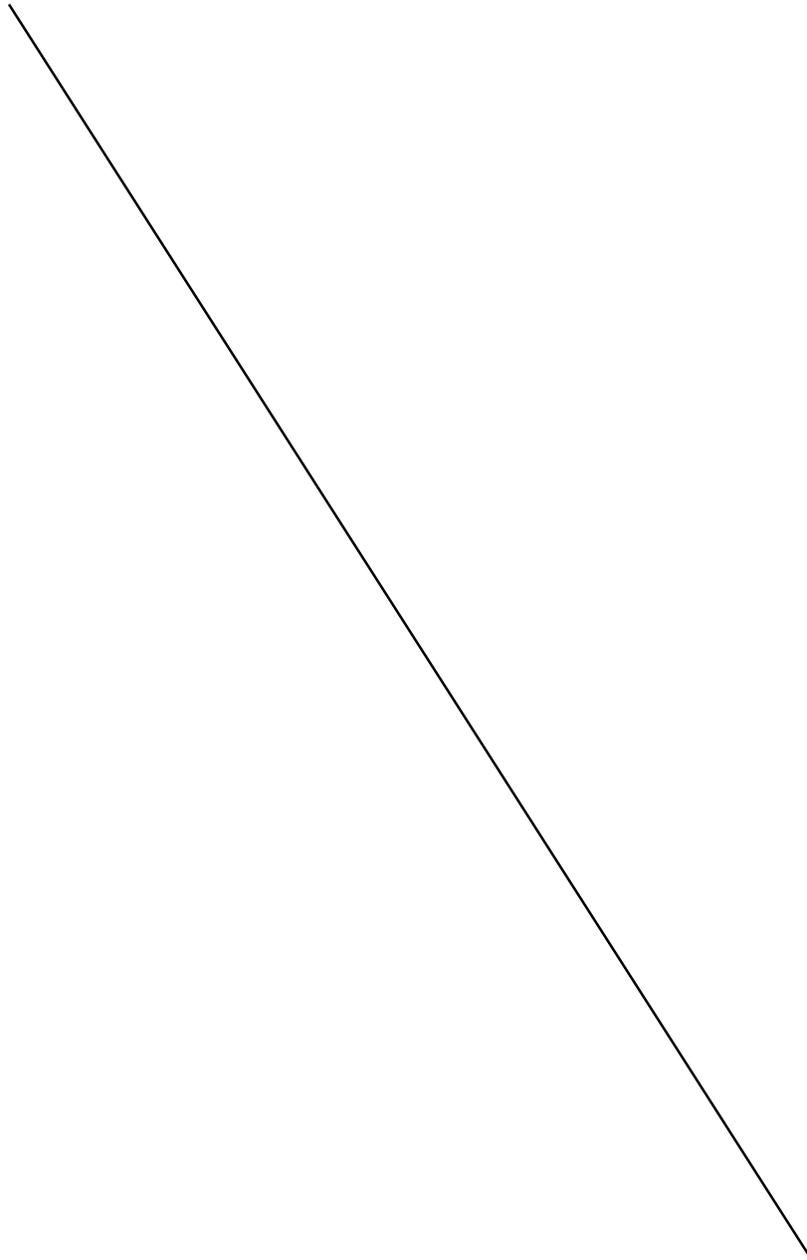
CERTIFICATE

We have examined the above Cash Flow Statement of Agro Dutch Industries Limited for the year ended on 31st March, 2010. 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 2nd August, 2010 to the members of the Company.

Place : Village Tofapur
Date : 02.08.2010

For Suresh Mittal & Associates
Chartered Accountant

Suresh Mittal
Partner



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AGRO DUTCH INDUSTRIES LIMITED

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

DP ID	
Client ID	

PROXY FORM

Folio No .	
No. of Shares held	

I/We
of in the district of
being a member/members of AGRO DUTCH INDUSTRIES LIMITED hereby appoint Mr./Ms.
of in the district of or failing him/her Mr./Ms.
..... of in the district of as
my/our proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on
**Tuesday 28th September, 2010 at 10.30 A.M at Chandigarh Institute of Hotel Management (Formerly Food Craft
Institute), Sector 42-D, Chandigarh** any adjournment thereof.

Signed this day of 2010.

Affix Rs. 1
Revenue
Stamp
here

NOTE:- The proxy must be returned so as to reach the Registered Office of the Company, not less than 48 hours before the Commencement of the Meeting.

AGRO DUTCH INDUSTRIES LIMITED

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

ATTENDANCE SLIP

(THIS ATTENDANCE SLIP DULY FILLED TO BE HANDED AT THE ENTERANCE OF THE MEETING HALL)

DP ID	
Client ID	

Folio No .	
No. of Shares held	

Name of the attending Member
(In Block Letters)

Name of Proxy(s) (In Block Letters)
(to be filled in if the Proxy attends instead of the Member)

No. of share held

I, hereby record my presence at the 18th Annual General Meeting of the Company to be held on **Tuesday 28th September, 2010 at 10.30 A.M at Chandigarh Institute of Hotel Management (Formerly Food Craft Institute), Sector 42-D, Chandigarh.**

Member's/ Proxy's Signature
(To be signed at the time
of handing over this slip)

Note : Member attending the meeting must fill this attendance slip and hand it over at the entrance hall. Members are requested to bring their copy of Annual Report in the Meeting.

BOOK POST



If undelivered, Please return to :

AGRO DUTCH INDUSTRIES LIMITED
Regd. Office : S.C.O. 30, 2nd Floor,
Sector 33-D, Chandigarh - 160020