



**NAGARJUNA**  
**AGRI TECH LIMITED**

**17th ANNUAL REPORT**  
**2004 - 2005**



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**Board of Directors**

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Field Marshal SHFJ Manekshaw	Chairman
K. Soma Raju	
N. Viswanatha Raju	
Dr. KVLN Raju	Managing Director

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**Auditors**

M/s. Amar & Raju  
Chartered Accountants  
Hyderabad - 500 082.

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**Advocates & Solicitors**

M/s. Bhaishanker Kanga & Girdharlal  
Mumbai - 400 001.

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**Principal Bankers & Financial Institution**

State Bank of Mysore  
Industrial Development Bank of India  
Canara Bank

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**Registered Office**

No.56, Nagarjuna Hills,  
Punjagutta,  
Hyderabad - 500 082.



# **NAGARJUNA AGRI TECH LIMITED**

Plot No.56, Nagarjuna Hills, Punjagutta, Hyderabad

## **NOTICE**

Notice is hereby given that the Seventeenth Annual General meeting of the Members of Nagarjuna Agri Tech Limited will be held on September 26, 2005 at 14-30 hours at Plot No. 56, Nagarjuna Hills, Punjagutta, Hyderabad to transact the following business.

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited accounts of the company for the year ended 31st March 2005, together with the reports of the Director's and Auditor's thereon.
2. To appoint a Director in place of Field Marshal SHFJ Manekshaw, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. N. Viswanatha Raju, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint auditors for the current year and to fix their remuneration. M/s. Amar and Raju, Chartered Accountants, Hyderabad, retire at the conclusion of this meeting and are eligible for reappointment.

**By order of the Board of Directors  
for Nagarjuna Agri Tech Limited**

**( Dr. K.V.L.N. RAJU )  
Managing Director**

Place : Hyderabad  
Date : 27-07-2005

## **NOTES**

1. A member is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company.
2. The Register of members and share transfer books will remain closed from 17-09-2005 to 26-09-2005 (both days inclusive).
3. The Proxy Form duly completed and signed should be deposited at the Registered Office of the company at least 48 hours before the commencement of the meeting.
4. Members are requested to inform immediately of any change in their address registered with the Company.

**By order of the Board of Directors  
for Nagarjuna Agri Tech Limited**

**( Dr. K.V.L.N. RAJU )  
Managing Director**

Place : Hyderabad  
Date : 27-07-2005



## **DIRECTOR'S REPORT**

Your Directors present herewith the Seventeenth Annual Report and the Audited Accounts for the financial year ended 31st March 2005.

### **1. Financial results :**

The results of Operations for the year ended 31-03-2005 are as under.

(Rs. in Lakhs)

	2004-05	2003-04
Turnover	245.15	255.21
Operating Surplus before Interest and depreciation	2.30	46.28
Interest	0.00	73.68
Depreciation	45.07	45.26
Plant Material Written off	21.87	38.59
Other expenditure written off	8.28	4.14
Deficit for the year	(-) 72.92	(-) 115.39

### **2. Outlook :**

The outlook of the industry, as it stands today, appears to be challenging due to the strong price competition, Supply competition from International markets and the large rise in the logistic costs. Initiation taken by the company in expanding the direct markets and the reduction of expenses wherever possible, will give better results in future. Company has entered in to the UK Market with a brand name of SIM roses.

### **3. Directors :**

Mr. N. Viswanatha Raju has been appointed as Additional Director during the year.

Field Marshal SHFJ Manekshaw who retires by rotation at the ensuring Annual General Meeting and being eligible, offers him for re-appointment.

Mr. N. Viswanatha Raju who retires by rotation at the ensuring Annual General Meeting and being eligible, offers him for re-appointment.

### **4. Auditors :**

M/s. Amar & Raju Chartered Accountants, Hyderabad, who are the present auditors of the company, retire at the close of the ensuing Annual General Meeting and are eligible for reappointment.

### **5. Particulars of Employees :**

The particulars required pursuant to provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules, 1975 are not furnished since there are no employees covered by the said rules.

### **6. Director's Responsibility Statement :**

The Board of Directors of your Company state

- that in preparation of annual accounts, the applicable accounting standards had been followed;
- that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Loss of the company for that period;



- c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 safeguard the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the directors had prepared the annual accounts on a going concern basis.

**7. Disclosures :**

**a) Conservation of Energy :**

Floriculture industry is not power intensive. However, adequate measures have been taken to conserve energy, wherever possible.

**b) Technology absorption, adoption & innovation**

The company has fully absorbed the technology from the suppliers / collaborators.

**c) Foreign Exchange Earnings & Out go:**

Foreign Exchange Earnings	Rs.2,04,83,264/-
Foreign Exchange Outgo	Rs. 11,06,422/-

**8. Auditor's Report :**

The Auditors observations are self explanatory. The company is making arrangements to pay the statutory dues.

**9. Corporate Governance :**

In pursuance of Clause 49 of the Listing

Agreement entered into with the Stock Exchanges, a separate section on Corporate Governance has been incorporated in the Annual Report for the information of the shareholders. A Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under said clause also forms part of the Annual Report.

**10. Acknowledgment :**

The Directors gratefully acknowledge the timely support of the Financial Institutions and Bankers. The Directors wish to record their appreciation for the untiring efforts and team spirit of all the staff and executives.

**On behalf of the Board of Directors  
for NAGARJUNA AGRI TECH LIMITED**

**( Dr. K.V.L.N. Raju )  
Managing Director**

Place : Hyderabad  
Date : 27-07-2005



## REPORT ON CORPORATE GOVERNANCE

### Company's philosophy

The Company is committed to good Corporate Governance. The Company fully realizes 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 its business and performance to its shareholders.

### 2. Board Composition and Meetings

#### i) Composition

The Board presently consists Four Directors. Out of them one is Promoter Managing Director, and other three are independent non-executive directors. The Board has no Institutional Directors. None of the Directors on the Board is a member on more than 10 committees and chairman of more than 5 committees across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies.

The Board met five times in the last year and following is the composition of the Board and attendance of each Director at these meetings and at the last Annual General Meeting.

<b>Name of the Director</b>	<b>Nature of Directorship</b>	<b>Number of Board Meetings attended</b>	<b>Attendance at the last AGM</b>
Field Marshal SHFJ Manekshaw	Chairman Non executive Independent	Five	Yes
Dr. K.V.L.N. Raju	Managing Director Executive Promoter	Five	Yes
K. Soma Raju	Non-executive Independent Professional	Five	Yes
N. Viswanatha Raju	Non-executive Independent	Three	Yes

#### ii) Number of Board Meetings :

The Company held five meetings of the Board of Directors during the financial year 2004-05. The Board met on the following dates: 31-05-2004, 27-07-2004, 22-09-2004, 08-10-2004, 22-01-2005.

### 3. Audit Committee:

The Audit Committee consists of Three Directors and all of them are independent and non-executive Directors. Mr. K. Soma Raju, a non-executive, independent and professional Director who is qualified Chartered Accountant, heads the committee.

Audit Committee has been constituted with powers to recommend to the Board on the following aspects:



- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with management the annual financial statements before submission to the Board.
- Reviewing with management, and auditors, the adequacy of internal control systems.
- Reviewing the findings of any investigations by the auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with auditors before commencement of audit, nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.

During the year the audit committee met three times on the following dates namely 27-07-2004, 22-09-2004 & 22-01-2005 and following is the attendance of the members.

Name of the Director	Position Held	No. of Meetings attended
K. Soma Raju	Chairman	3
Field Marshal SHFJ Manekshaw	Member	3
N. Viswanatha Raju	Member	3

The following businesses were conducted during the year :

- Review of quarterly financial statements.
- Review of internal control systems.
- Review of annual financial statements for the year 2004-05.

The Board of Directors accepted all the recommendations of the audit committee.

#### 4. Remuneration committee:

The Remuneration committee consists of two Directors, both of them being non-executive and independent Directors. The Committee is headed by field Marshal SH FJ Manekshaw an independent Director and Chairman of the Board.

The Remuneration committee determines the Company's policy on specific remuneration packages for Executive Directors within the framework of the provisions and enactments governing the same. The committee met three times during the year on 27-07-2004, 22-09-2004 & 22-01-2005 and its recommendations were accepted.

Following is the attendance of the committee members during the year.

Name of the Director	Position Held	No. of Meetings attended
Field Marshal SHFJ Manekshaw	Chairman	3
K. Soma Raju	Member	3



**Remuneration paid to Directors for the Financial Year.**

No remuneration was paid to the Managing Director during the financial under review. The non-executive directors are paid sitting fee for attending each meetings of the Board. The non-executive directors do not draw any other remuneration from the company. There are no performance-linked incentives payable to any of the directors, nor any stock option plans as part of remuneration package payable to any directors.

**5. Investor Grievance Committee:**

The Share Holders Grievance Committee which look into redressal of Shareholders' and Investors' Complaints and requests like delay in transfer/ transmission of shares, issue of duplicate share certificate, non-receipt of dividend, annual report, etc., The Committee consists of two Directors. K.Soma Raju, an independent non-executive Director, heads the Committee.

The committee met three times during the year on 31-05-2004, 22-09-2004 & 22-01-2005. The Managing Director acts as compliance officer to look into shareholders grievances on a day-to-day basis.

Name of the Director	Position Held	No. of Meetings attended
K. Soma Raju	Chairman	3
Dr. K.V.L.N. Raju	Member	3

**6. Board Procedure:**

At least four board meetings are held every year. The Board Meetings are conducted at the Registered / Administrative office of the Company, The Board meets at least once in every quarter to review the financial results and other items on the agenda. Notice for the Board Meetings together with agenda are sent to all the directors in advance. The gap between two consequent board meetings did not exceed four months

**7. Details of General Meetings**

The Annual General Meetings (AGMs) of the Company have been held at the following places in the last three years.

For the year	Venue	Day & Date	Time
2002	Registered Office	Monday 30-09-02	14.30 p.m.
2003	Registered Office	Thursday 23-10-03	14.30 p.m.
2004	Registered Office	Wednesday 22-09-04	14.30 p.m.

**8. Material Disclosures**

(i) Disclosures on materially significant related party transactions.

There is no material transaction with any related party, which may have potential conflict with the interests of the Company at large. However, the company has annexed to the accounts a list of related parties as per Accounting Standard 18 and the transaction entered into with them.



- (ii) Details of Non-Compliance by the Company, penalties and structures imposed on the Company by the Stock Exchange, SEBI or any statutory -authorities or any matter related to capital markets.

*The Company has complied with all the requirements of the Listing Agreement with the stock Exchanges as well as regulations and guidelines of SEBI Stock Exchanges or any other Statutory Authority has passed no penalties or strictures on matters relating to capital markets in the last three years.*

#### **9. Means of Communication**

The quarterly / half-yearly / annual / un-audited / audited financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors.

The results are published in the Hyderabad editions of widely circulated English and Telugu daily.

#### **10. General Shareholders' Information**

##### **i) Annual General Meeting.**

Day, Date and time	Monday 26-09-2005 14.30 pm
Venue	Registered office

##### **ii) Profile of Directors retiring by rotation / eligible for re-appointment.**

Field Marshal SHFJ Manekshaw retires by rotation and eligible for reappointment.  
N. Viswanatha Raju retires by rotation and eligible for reappointment.

##### **iii) Financial Calendar.**

Indicative calendar of events for the year 2005-06 (financial year) excluding Extra Ordinary General Meeting(s), if any, is as under

Annual General Meeting (next year)	28-09-2006
First Quarter financial results	27-07-2005
Second Quarter financial results	08-10-2005
Third Quarter financial results	21-01-2006
Fourth Quarter & Annual results of financial year 2005-06	27-05-2006

##### **iv) Book Closure**

The Company's Register of Members and Share Transfer- books will remain closed for the	17-09-05 to 26-09-05 (Both days inclusive)
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**v) Listing on stock Exchanges.**

The Company's equity shares are listed on the following stock Exchanges. The Company has not paid listing fees for the financial year 2000-01 onwards to the said Exchanges, where its securities are listed due to, paucity of funds.

Name	Address
Hyderabad Stock Exchange	# 6-3-654, Adjacent to Erramanjil bus stop, Somajiguda , Hyderabad- 82
Mumbai Stock Exchange	Pheroje Jeejeebhoy Towers Dalal Street, Mumbai - 400 001

**vi) Outstanding GDR, ADR or Warrants: NIL**

**vii) Plant Locations:** Aralumallige village, Doddaballapur Taluk, Bangalore rural dist.:

**viii) Address for Correspondence:** # 56, Nagarjuna hills, Panjagutta, Hyderabad-82.

**ix) Registrar and Transfer Agent:** In house Share Transfers

**x) Share Transfer system**

Shares lodged for physical transfer of shares would be registered within a period of 10 to 15 days, if the documents were clear in all respects. The share Transfer committee would dispatch the shares duly transferred to the concerned shareholders within a week from the date of approval of transfer. For this purpose, the Share Transfer Committee meets as often as required. Adequate care taken to ensure that no transfers are pending for more than a fortnight.

**xi) Stock Market Data:** The shares were not traded in the last financial year.

**xii) Shareholding pattern**

The table below gives the distribution of share holding according to the size clause as on 31-03-2005.

Shareholding Nominal value of Rs.	Shareholders		Shares held in each class	
	Number	% of Total	Number	% of Total
1-5000	3,543	73.40	1755803	20.06
5001-10000	1,048	21.71	1008300	11.52
10001-20000	119	2.47	225000	2.57
20001-30000	19	0.39	51400	0.59
30001-40000	23	0.48	92000	1.05
40001-50000	26	0.54	126692	1.45
50001-100000	19	0.43	161300	1.84
100001 & above	30	0.62	5332605	60.92
<b>TOTAL:</b>	<b>4827</b>	<b>100.00</b>	<b>8753100</b>	<b>100.00</b>



**xiii) Investor Complaints**

During the year the company has attended to most of the investors grievances/complaints within a reasonable time of receipt of the same and aptly solved them. The delays in few cases were due to compliance of legal requirements.

Status report for the period 01.04.2004 to 31.03.2005.

Sl.No	Name of the Complaint	Received	Disposed	Pending
1.	Change/correction of address	5	5	0
2.	Deletion/inclusion of joint name and transmission	0	0	0
3.	Others	2	2	0

**xiv) Dematerialization of shares and liquidity:**

The Company is in the process of finalizing the suitable agency for De-matisation.

**xv) Address for Investor Correspondence:**

- a) For transfer of Shares : # 56, Nagarjuna Hills, Panjagutta  
Hyderabad - 82.
- b) For query on Annual Report and any other query relating to the shares of the company : # 56, Nagarjuna Hills, Panjagutta  
Hyderabad - 82.

On behalf of the Board of Directors  
for **NAGARJUNA AGRI TECH LIMITED**

( **Dr. K.V.L.N. RAJU** )  
Managing Director

Place: HYDERABAD

Date: 27-07-2005.



**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF CORPORATE  
GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To

**The Members of  
M/s. NAGARJUNA AGRI TECH LIMITED  
Hyderabad.**

We have examined the compliance of conditions of Corporate Governance by M/s. NAGARJUNA AGRI TECH LIMITED ("the Company") for the year ended on 31st March 2005 as stipulated in clause 49 of the Listing Agreement of the said company with the 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, subject to the following :

We certify that the company has complied with the conditions of Corporates Governance as stipulated in the above-mentioned listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Share Holders / Investors Grievance Committee.

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

**For AMAR & RAJU  
CHARTERED ACCOUNTANTS,**

**( G. AMARANATHA REDDY )  
Partner**

**Place: HYDERABAD  
Date: 27-07-2005.**



## AUDITOR'S REPORT

To

The Members  
M/s. NAGARJUNA AGRI TECH LIMITED  
HYDERABAD.

We have audited the attached Balance Sheet of M/s. NAGARJUNA AGRI TECH LIMITED, as at 31st March, 2005 and also the Profit & loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. 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 misstatements. 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.

1. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956, we report that:

- i) a) The Company has maintained proper records, showing full particulars, including Quantitative details and situation of fixed assets.
- b) The management has conducted the physical verification of fixed assets during the year under- audit, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

- c) The company has not disposed substantial part of the fixed assets during the year under audit.
- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) The company has granted unsecured loan amounted to Rs.4,07,940 in the earlier years to a company covered in the register maintained under section 301 of the Companies Act, 1956. In the absence of specific terms and conditions regarding rate of interest and repayment of loan, we are not in a position to comment on whether the said loan is prima facie, prejudicial to the interest of the company and regularity of recovery of the principal amount and interest there on.

The company has taken unsecured loan amounted to Rs.79,000/- in the earlier year from a party covered in the register maintained under section 301 of the Companies Act, 1956. During the year the company has repaid the said amount in the absence of specific terms and conditions we are not in a position to comment on whether the said loan is prima facie, prejudicial to the interest of the company.

- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to the purchases of inventory, fixed assets and with regard to the sale of goods. During the course of audit, we have not observed any



- continuing failure to correct major weaknesses in internal control system.
- v) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained U/Sec.301 of the Companies Act, 1956 have been so entered. In our opinion and according to information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The company has not accepted any deposits from the public. Accordingly, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- vii) The company does not have any internal audit system.
- viii) According to the information and explanations given to us, maintenance of cost records U/Sec.209(1)(d) the Companies Act, 1956 have not been prescribed by the Central Government for the company.
- ix) a) During the year the company has neither deducted nor paid the Provident Fund and Employees state Insurance Dues.
- b) Undisputed Provident Fund, Employees State Insurance and other statutory dues relating to the earlier periods aggregating to Rs.93,117/- which had fallen due for deposit with appropriate authorities have not been so deposited and were outstanding as at 31st March, 2005 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute.
- x) In our opinion, the accumulated losses of the company are more than fifty percent of its net worth. The company has incurred cash losses during the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us the company has defaulted in repayment of dues to financial institution and bank. The amount of default was Rs.13,65,11,933/- excluding the un-provided approximate interest of Rs.11.47 crores (Note No: 15 of Schedule 'K').
- xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiii) In our opinion, the Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund Society. Accordingly, the provisions of clause 4( xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 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 (Auditor's Report) Order, 2003 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 Banks or Financial Institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xvi) The company has not obtained any term loans from banks and financial institutions during the year under audit. In our opinion, and according to the information and explanations given to us the term loans obtained in the earlier years have been applied for the purpose for which they were obtained.



- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the funds amounted to Rs.14,52,946/- raised on short-term basis have been used for long-term investment in fixed assets.
- xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained U/Sec.301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, are not applicable to the company.
- xix) The company has not issued any debentures. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xx) During the year under review and in the immediately preceding financial year the company has not raised any money by way of public issue. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
- ii. Subject to above comments and notes forming part of accounts we further state that:
- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit
- ii) In our opinion, proper books of account as required by Law have been kept by the Company, so far appears from our examination of such books.
- iii) The Balance Sheet, the Profit & Loss Account and Cash How Statement referred to in this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of section 211 of the Companies Act, 1956.
- v) On the basis of written representations 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, 2005 from being appointed as director in terms of clause (g) of sub-section (1) Section 274 of the Companies Act 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by the Companies Act, 1956 in the manner so required, read together with notes there on subject to Note No. 15 and 16 of Schedule 'K' regarding the non-provision of interest and change in accounting policy amounting to Rs. 4.31 crores give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2005 and
- b) In the case of the Profit & loss Account, of the loss for the year ended on that date.
- c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

For **AMAR & RAJU**  
**CHARTERED ACCOUNTANTS,**

( **G. AMARANATHA REDDY** )  
Partner

Place: HYDERABAD  
Date: 27-07-2005.



**BALANCE SHEET AS AT 31st MARCH, 2005**

PARTICULARS	SCH	AS AT 31-03-2005		AS AT 31-03-2004	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCE OF FUNDS</b>					
<b>Share holder's funds:</b>					
Share Capital	A	67,590,750		67,590,750	
Reserves & Surplus	B	100,000		100,000	
			67,690,750		67,690,750
<b>Loan Funds:</b>					
Secured Loans	C	136,511,933		136,410,676	
Unsecured Loans	D	184,980		243,980	
			136,676,913		136,654,656
<b>TOTAL</b>			<b>204,367,663</b>		<b>204,345,406</b>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	E	105,862,911		104,268,745	
Less: Depreciation		36,793,379		32,286,743	
Net Block			68,569,532		71,982,002
<b>Current Assets, Loans and Advances</b>					
Current Assets	F	9,066,212		11,406,354	
Loans & Advances		3,238,699		2,237,790	
		12,304,811		13,644,144	
<b>Less: Current Liabilities and Provisions</b>					
Current Liabilities	G	6,404,066		6,928,420	
Provisions					
Net Current Assets			5,900,725		6,715,724
<b>Miscellaneous Expenditure:</b>					
Profit & Loss Account:	H		109,072,050		3,045,822
Deferred Tax			20,824,756		80,183,544
					42,418,314
<b>TOTAL</b>			<b>204,367,663</b>		<b>204,345,406</b>
<b>NOTES TO ACCOUNTS</b>	K				

As per our report of even date

For and on behalf of the Board

For AMAR & RAJU  
Chartered Accountants

(G. AMARANATHA REDDY)

Place : Hyderabad  
Date : 27-07-2005

(FIELD MARSHAL SHFJ MANEKSHAW)  
Chairman

(Dr. K.V.L.N. RAJU)  
Managing Director

(K. SOMA RAJU)  
Director



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS AT 31st MARCH, 2005**

<b>PARTICULARS</b>	<b>SCH</b>	<b>YEAR ENDED 31-03-2005 Rupees</b>	<b>YEAR ENDED 31-03-2004 Rupees</b>
<b>INCOME</b>			
Sales		24,515,258	25,521,430
Other income		12,630	120,258
<b>TOTAL</b>		<b>24,299,421</b>	<b>25,641,688</b>
<b>EXPENDITURE</b>			
Manufacturing, Administrative and Selling expenditure	I	24,297,934	21,012,847
Interest			7,368,549
Depreciation	E	4,506,636	4,526,429
Other expenditure written off	J	3,015,016	4,272,825
<b>TOTAL</b>		<b>31,819,586</b>	<b>37,180,650</b>
Net Loss for the year		(7,291,698)	(11,538,962)
Earlier year adjustments		(3,850)	(62,773)
Deferred Tax		(21,593,558)	3,758,133
Loss brought forward		(80,183,544)	(72,339,942)
Loss carried to Balance Sheet		(109,072,650)	(80,183,545)
Earnings per share		(4.27)	(1.16)
<b>NOTES TO ACCOUNTS</b>	<b>K</b>		

As per our report of even date

For and on behalf of the Board

For **AMAR & RAJU**  
Chartered Accountants

(**FIELD MARSHAL SHFJ MANEKSHAW**)  
Chairman

(**G. AMARANATHA REDDY**)

Place : Hyderabad  
Date : 27-07-2005

(**Dr. K.V.L.N. RAJU**)  
Managing Director

(**K. SOMA RAJU**)  
Director



**SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2005**

PARTICULARS		AS AT		AS AT
		31-03-2005		31-03-2004
		Rupees		Rupees
<b>SCHEDULE: A</b>				
<b>SHARE CAPITAL</b>				
<u>Authorised:</u>				
1,00,00,000 Equity Shares of Rs.10/- each		100,000,000		100,000,000
<u>Issued, Subscribed &amp; Paid up:</u>				
87,53,100 Equity Shares of Rs.10/- each		87,531,000		87,531,000
<u>Less: calls in arrears</u>		(19,940,250)		(19,940,250)
<b>TOTAL</b>		<b>67,590,750</b>		<b>67,590,750</b>
<b>SCHEDULE: B</b>				
<b>RESERVES &amp; SURPLUS</b>				
Subsidy from APEDA		100,000		100,000
<b>TOTAL :</b>		<b>100,000</b>		<b>100,000</b>
<b>SCHEDULE: C</b>				
<b>SECURED LOANS</b>				
Foreign currency Term Loan from IDBI	47,389,137		47,796,419	
Add: Interest accrued and due	41,649,851		41,141,312	
		89,038,988		88,937,731
Rupee term loan from IDBI	13,700,000		13,700,000	
Add: Interest accrued and due	26,699,852		26,699,852	
		40,399,852		40,399,852
Cash credit from State Bank of Mysore		7,073,093		7,073,093
<b>TOTAL</b>		<b>136,511,933</b>		<b>136,410,676</b>

**SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31st MARCH 2005**

**SCHEDULE : E FIXED ASSETS**

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01-04-2004 Rs.	Deletions Rs.	Additions Rs.	As on 31-03-2005 Rs.	Upto 31-03-2004 Rs.	Deletions Rs.	For the year Rs.	Upto 31-03-2005 Rs.	As on 31-03-2005 Rs.	As on 31-03-2004 Rs.
Land	8,263,722	-	-	8,263,722	-	-	-	-	8,263,722	8,263,722
Buildings	10,108,625	-	66,483	10,175,108	2,558,406	-	339,849	2,898,255	7,276,853	7,550,219
Plant & machinery	83,612,113	376,476	1,368,293	84,603,930	28,591,504	-	4,036,569	32,628,073	51,975,857	55,020,609
Furniture	611,668	-	8,200	619,868	290,392	-	39,238	329,630	290,238	321,276
Office equipment	295,414	-	-	295,414	99,223	-	14,032	113,255	182,159	196,191
Computers	246,121	-	27,666	273,787	232,621	-	10,710	243,331	30,456	13,500
Vehicles	263,403	-	-	263,403	187,672	-	25,023	212,695	50,708	75,731
Refrigerated Vehicle	867,679	-	-	867,679	326,925	-	41,215	368,140	499,539	540,754
<b>TOTAL</b>	<b>104,268,745</b>	<b>376,476</b>	<b>1,470,642</b>	<b>105,362,911</b>	<b>32,286,743</b>	<b>-</b>	<b>4,506,636</b>	<b>36,793,379</b>	<b>68,505,270</b>	<b>71,982,002</b>
Previous Year Total	105,468,988	1,937,092	736,849	104,268,745	27,771,458	11,144	4,526,429	32,286,743	71,982,002	77,697,530

Deletions to Plant and Machinery represents Exchange Fluctuation





**SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2005**

PARTICULARS		AS AT 31-03-2005		AS AT 31-03-2004
		Rupees		Rupees
<b>SCHEDULE: D</b>				
<b>UNSECURED LOANS:</b>				
1. From Directors		164,980		164,980
2. From Others		-		79,000
<b>TOTAL :</b>		<b>164,980</b>		<b>243,980</b>
<b>SCHEDULE: F</b>				
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
<b>A. Current Assets:</b>				
1) <b>Stock-in-trade:</b>				
a) Fertilizers & Pesticides	221,727		340,367	
b) Packing material	89,711		30,672	
		311,438		371,039
2) <b>Sundry Debtors:</b>				
a) Out standing for more than six months	3,500,409			
b) Others	4,914,117		7,319,382	
		8,414,526		10,561,423
3) <b>Cash and Bank balances:</b>				
a) Cash on hand	119,239		110,198	
b) <b>Balance with Scheduled Banks:</b>				
i) In Current Account	71,394		220,812	
ii) In Deposit Account	149,615		142,882	
		340,248		473,892
		8,841,598		11,406,354
<b>B. Loans and Advances:</b>				
1) <b>Unsecured considered good recoverable in cash or in kind for the value to be received</b>				
	2,387,160		1,383,722	
2) <b>Deposits</b>				
	850,218		850,218	
3) <b>TDS</b>				
	1,221		3,850	
		3,238,599		2,237,790
<b>TOTAL :</b>		<b>12,304,811</b>		<b>13,644,144</b>



**SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2005**

PARTICULARS		AS AT 31-03-2005		AS AT 31-03-2004
		Rupees		Rupees
<b>SCHEDULE: G</b>				
<b><u>CURRENT LIABILITIES</u></b>				
<b><u>AND PROVISIONS</u></b>				
A) <u>Current Liabilities:</u>				
1) Creditors for capital works	1,096,783		1,366,568	
2) Creditors for supplies	2,451,892		1,550,371	
3) Creditors for services and expenses	2,795,728		3,334,377	
4) Advances from customers	59,683		168,565	
5) Interest accrued but not due on term loan			508,539	
		<b>6,404,086</b>		<b>6,928,420</b>
B) <u>Provisions:</u>				
		-		-
<b>TOTAL</b>				
		<b>6,406,718</b>		<b>6,928,420</b>
<b>SCHEDULE: H</b>				
<b><u>MISCELLANEOUS EXPENDITURE:</u></b>				
(To the extent not written off or adjusted)				
1) Public Issue expenditure		-		828,072
2) Deferred Revenue expenditure (Mother Plants)		-		2,217,750
<b>TOTAL :</b>				
		-		<b>3,045,822</b>



**SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2005**

PARTICULARS		Year Ended 31-03-2005		Year Ended 31-03-2004
		Rupees		Rupees
<b><u>SCHEDULE: I</u></b>				
<b><u>MANUFACTURING, ADMINISTRATIVE AND SELLING EXPENDITURE</u></b>				
A) <u>Manufacturing expenditure:</u>				
Fertilizers & Pesticides	4,377,601		3,608,294	
Power & Fuel	1,957,717		1,446,784	
Plant Maintenance	3,104,884		4,104,340	
Repairs & Maintenance	987,518		1,117,416	
Purchase of Flowers	1,939,840		1,470,657	
		12,367,560		11,747,491
B) <u>Administrative Expenditure:</u>				
Travelling & Conveyance	309,818		139,723	
Printing & Stationery	49,788		42,727	
Communication costs	145,250		152,605	
Rent, Rates, Taxes & Charges	230,430		203,038	
Auditors remuneration	53,264		46,320	
Legal & Professional Charges	24,500		142,000	
Bank charges & Commission	97,372		51,106	
Vehicle maintenance	566,246		453,880	
Office Maintenance	37,592		33,336	
Vehicle hire charges	158,400		158,400	
General expenses	50,149		58,566	
		1,722,609		1,481,701
C) <u>Selling Expenditure:</u>				
Freight, Clearing, Forwarding and Handling Charges	7,226,630		4,973,774	
Packing Material	1,203,319		1,216,062	
		8,429,949		6,189,836
D) <u>Expenditure on Personnel:</u>				
Salaries & other benefits	1,408,566		1,177,699	
Staff welfare expenditure	369,050		416,120	
		1,777,616		1,593,819
<b>TOTAL :</b>		<b>24,297,934</b>		<b>21,012,847</b>
<b><u>SCHEDULE: J</u></b>				
<b><u>OTHER EXPENDITURE WRITTEN OFF</u></b>				
Public Issue expenses		828,072		414,036
Plant material written off (Mother plants)		2,186,944		3,858,789
<b>TOTAL :</b>		<b>3,015,016</b>		<b>4,272,825</b>



**SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2005**

**SCHEDULE: K**

**NOTES TO ACCOUNTS:**

**1. Significant Accounting Policies:**

- a. Basis of preparation of Financial Statement
  - i. The financial statements have been prepared under the historical cost convention on the basis of a going concern and in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the company.
  - ii. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the company.
- b. Fixed assets : Fixed assets are valued at cost less depreciation.
- c. Depreciation : Depreciation has been provided on straight line method at the rates specified in the schedule XIV of the Companies Act, 1956.
- d. Inventories Closing stocks of fertilizers, pesticides and packing materials are valued at cost.
- e. Miscellaneous Expenditure : Deferred revenue expenditure consisting of plant material (mother plants) will be amortised over a period of 8 years in equal instalments
- f. Foreign currency transactions
  - i. Liabilities in respect of foreign currency loans have been revalued at the exchange rate prevailing at the year end. The difference arising as a result of the above is adjusted in the cost of the fixed assets acquired and in respect of deferred revenue expenditure (mother plants), it is debited/credited to the Profit & Loss Account as the case may be.
  - ii. Exports invoiced in foreign currency are converted at the exchange rate prevailing on

the date of transactions. Gain/Loss arising out of fluctuation in exchange rates are accounted for on realisation.

- iii. Other foreign currency transactions are recognised at the rate on the date of transaction.

**g. Cash Flow Statement**

The cash flow statement has been compiled from and is based on the Balance Sheet as at 31st March 2005 and the related Profit and Loss Account for the year ended on that date. The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI.

**h. Accounting for taxes on income**

Deferred Tax : Deferred income tax is recognised, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the Balance Sheet date.

**2. Particulars of capacity & Production:**

- a) Class of Goods produced : Cut flowers (Roses)
- b) Licenced Capacity : N.A.
- c) Installed Capacity : 1,12,50,000 p.a.
- d) Actual Production  
Cut flowers (includes normal wastage) Nos.

	<u>2004-2005</u>	<u>2003-2004</u>
	4,582,740	53,70,224
Trading purchases Nos.	478,760	3,80,690

**3. Fertilizers & Pesticides consumed (In Rs.)**

	4,377,601	3,608,294
--	-----------	-----------



4. Turnover	Qty(Nos)	Value (Rs.)	Qty(Nos)	Value (Rs.)
Export Sales of Cut Flower	3,050,280	19,778,213	3,206,350	20,861,570
Other Sales		4,737,045		4,659,860
<b>TOTAL :</b>	<b>54,58,910</b>	<b>2,55,21,430</b>		<b>25,521,430</b>

**5. Stock-in-Trade**

Cut Flowers ( Roses ) - -

**6. Foreign Exchange Transactions**

a) Earnings in foreign currency (FOB value of exports)  
(Sales returns & fluctuations are not considered)

20,483,264      21,473,971

b) Expenditure in foreign currency:

On account of travel      23,375      -

On account of others

(Green House Sheets)      1,083,047      -

**7. Auditors Remuneration**

As Auditors Fee      25,000      22,000

For Tax Audit      7,000      7,000

For Certification &  
Taxation matters      18,000      15,000

Service tax      3,264      2,320

**TOTAL :**      53,264      46,320

**8. Contingent Liabilities**

Bank Guarantees      510,113/-      510,113/-

**9. Secured Loans**

a) Foreign currency term loan and Rupee term loan from Industrial Development Bank of India is secured by first mortgage and charge on all the movable and immovable assets of the Company, present and future, subject to the charges to be created in favour of bankers on specified current assets for securing working capital borrowings and personal guarantee of Dr. K.V.L.N. Raju, the main promoter.

b) Cash credit from State Bank of Mysore, Hi-Tech Agricultural Finance Branch, Ganganagar, Bangalore, is secured by hypothecation of crops, movables, raw materials, finished and semi finished goods, stock in trade belonging to the company and all movable assets, plant material and flowers at different stages created out of banks finance.

c) Hire purchase loan are secured by hypothecation of specified assets acquired under hire purchase agreement.

10. The company has acquired land in the name of its employees. The existing rules in Karnataka state do not permit the companies to hold agricultural land in their names. However, the company has entered into agreement with its-employees for execution of necessary legal documents in respect of the title of the land. The consideration for purchase of said land has already been paid out of the company's funds, hence treated as an asset of the company.

11. Balance under sundry debtors, sundry creditors, loans and advances payable/receivable and deposits are subject to confirmation and reconciliation.

12. Previous year figures have been regrouped, recasted and reclassified wherever necessary, to confirm with current years classifications.

13. The figures have been rounded off to the nearest rupee.

14. Sundry Creditors includes Rs. NIL due to small scale and ancillary undertakings. The information has been compiled to the extent they could be identified as small scale and ancillary undertakings on the basis of information available with the Company.



15. During the year the company has not provided the interest on loan from IDBI and SBM. The Company has requested for the waiver of the same. In the absence of interest advices and confirmation letters, the un-provided interest is approximately Rs. 4.27 crores. As a result the net loss for the current year is understated to the said extent. The total unprovided interest in respect of loan from IDBI (from 01-04-2000 onwards) and from SMB (from 01-04-2002 onwards) as on 31-03-2005 was Rs. 11.47 crores.

**16. Change in Accounting Policy :**

In conformity with the Accounting Standard, during the year the company has changed the policy of writing off of public issue expenses. The un amortized public issue expenses of Rs. 8,28,072/- outstanding as on 31-03-2004 was charged to the profit and loss account. Consequently the net loss for the year was over stated by Rs. 4,14,036.

**17. Earnings per Share (EPS) :**

Loss attributable to		
Equity shareholders (Rs.)	(28,889,106)	(7,843,802)
Weighted average number of equity shares	6,759,075	6,759,075
Basic and diluted earnings per share (Face value Rs. 10/-)	(4.27)	(1.16)

**18. Deferred Tax :**

In conformity with the Accounting Standard 22 on Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India, during the year the Company has provided for the Net Deferred Tax Asset in the books of account.

Nature of timing difference:

	Deferred Tax Amount	Deferred Tax Amount
<b>Deferred Tax Asset:</b>		
a) Carried forward losses	36,937,579	34,730,229
b) Items covered u/s. 43B	-	24,520,456
<b>Total</b>	<u>36,937,579</u>	<u>59,250,685</u>
<b>Deferred Tax Liability:</b>		
a) Depreciation	16,112,823	15,966,301
b) Amortised expenses	-	866,070
<b>Total</b>	<u>16,111,823</u>	<u>16,832,371</u>
<b>Net Deferred Tax Asset</b>	20,824,756	42,418,314

The deferred tax assets arisen on account of unabsorbed depreciation and carry forward losses have been recognised and carried forward only to the extent where there is reasonable certainty that sufficient taxable income will be available against which such deferred tax assets can be adjusted. The deferred tax liability has arisen principally on account of the time difference in allowability of depreciation on fixed assets.

**19. Related Party Disclosures:**

Related party disclosures as required by AS 18 of the ICAI is as follows:

**A) Related parties and relationship:**

(a) Transactions with Companies in which Directors are interested:

- 1) Field Marshal SHFJ Manekshaw - Nagarjuna Fertilisers and Chemicals Limited
- 2) Dr. K.V.L.N. Raju - Nagarjuna Capital Markets Limited, Krishna Holdings Private Limited, Stock Trust Securities (India) Private Ltd and Jinnur Investments Pvt. Ltd.,

(b) Transactions with Directors : Dr. K.V.L.N. Raju

(c) Transactions with relatives of Directors: K. Lakshmi Raju wife of Dr. K.V.L.N. Raju, Managing Director.

**B) Details of Transactions with above parties:**

	Companies	Directors	Relatives	Total
Expenses charged	-	158,400	-	158,400
Deposits repaid	-	-	79,000	79,000
Outstanding paid	269,785	-	-	-
Outstanding payable	390,797	9,900	-	400,697
Outstanding received	236,037	-	-	236,037
Outstanding deposits payable	-	164,980	-	164,980
Outstanding deposits receivable	412,940	-	-	412,940



**20. Segment Reporting:**

As the company's business activities falls within single segment viz., cut flowers the disclosure requirement of Accounting Standard - 17 on "Segment Reporting" issued by ICAI is not applicable.

**Sources of Funds:**

Paid up Capital	67,590,750
Reserves & Surplus	100,000
Secured Loans	136,511,933
Unsecured Loans	164,980

**21. Foreign Exchange Fluctuations:**

As per the above stated accounting policy, the amount of exchange differences debited to Profit and Loss Account during the period was amounted to Rs. 2,72,546/-

**Application of Funds:**

Net Fixed Assets	68,569,532
Investments	-
Net Current Assets	5,900,725
Misc., Expenditure	-
Accumulated Losses	109,072,650
Deferred tax	20,824,756

**22. Balance Sheet abstract and company's general business profile:**

**I) Registration details:**

Registration No.	7981 of 1987-88
State code	1
Balance Sheet date	3/31/2005

**II) Capital raised during the year: (Amount in Rs.)**

Public issue	NIL
Bonus issue	NIL
Rights issue	NIL
Private placement	NIL

**III) Position of Mobilisation & Deployment of funds: (Amount in Rs.)**

Total Liabilities	210,771,749
Total Assets	210,771,749

**IV) Performance of the Company: (Amount in Rs. )**

Total income	24,527,888
Total Expenditure	31,819,586
Profit/Loss before Tax	(7,291,698)
Earning per share	(4.27)
Dividend rate (%)	N.A.

**V) Generic names of three principal products/services of the company (as per monetary terms)**

Item Code No (ITC Code)	
Product description	N.A.

**Signatures to Schedules 'A' to 'K'**

As per our report of even date

For and on behalf of the Board

For **AMAR & RAJU**  
Chartered Accountants

(**FIELD MARSHAL SHFJ MANEKSHAW**)  
Chairman

(**G. AMARANATHA REDDY**)

Place : Hyderabad  
Date : 27-07-2005

(**Dr. K.V.L.N. RAJU**)  
Managing Director

(**K. SOMA RAJU**)  
Director



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2005**

	Rs.	Rs.
<b>A) Cash flow from Operating Activities:</b>		
Net loss as per Profit and Loss Account		(7,291,698)
Adjustments for:		
Depreciation	4,506,636	
Interest	-	
Other expenditure written off	3,015,016	
Earlier year adjustments	(3,850)	
		7,517,802
Operating profit before working capital changes		226,104
Adjustments for:		
Trade & other receivables	1,139,355	
Trade payable	253,990	
Inventories	59,601	
		1,452,946
Net cash from operating activities		1,679,050
<b>B) Cash flow from investing activities:</b>		
Increase in Fixed Assets	(1,740,427)	
Net cash used in investing activities		(1,740,427)
<b>C) Cash flow from financing activities:</b>		
Repayment of other borrowings	(79,000)	
Net cash from financing activities		(79,000)
Net increase in cash & cash equivalents (A-B-C)		(140,377)
Cash & cash equivalents as at 31-03-2004		331,010
Cash & cash equivalents as at 31-03-2005		190,633

For **AMAR & RAJU**  
Chartered Accountants

For and on behalf of the Board

(**G. AMARANATHA REDDY**)  
Partner

(**FIELD MARSHAL SHFJ MANEKSHAW**)  
Chairman

Place : Hyderabad  
Date : 27-07-2005

(**Dr. K.V.L.N. RAJU**)  
Managing Director

(**K. SOMA RAJU**)  
Director



To

**The Board of Directors,  
M/s. NAGARJUNA AGRI TECH LIMITED,  
56, Nagarjuna Hills, Punjagutta,  
HYDERABAD - 500 082.**

Dear Sirs,

We have examined the attached Cash Flow statement of **M/s. NAGARJUNA AGRI TECH LIMITED** for the year ended 31st March, 2005. The statement has been prepared by the Company in accordance with the requirements of listing agreement with and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the company covered by our report of 27-07-2005 to the members of the Company.

**For AMAR & RAJU  
CHARATERED ACCOUNTANTS**

**( G. Amaranatha Reddy )  
Partner**

Place : Hyderabad.

Date : 27-07-2005.



## NAGARJUNA AGRI TECH LIMITED

56, Nagarjuna Hills, Punjagutta, Hyderabad -500 082. INDIA

Grams : "FLOWERS"

### PROXY FORM

Regd. Folio No.

No. of Shares held

I/We..... of .....  
in the district of ..... being a member/members  
of M/s. NAGARJUNA AGRI TECH LIMITED hereby appoint ..... of  
..... in the district of ..... or failing him  
..... of ..... in the district of .....  
as my/our Proxy to vote for me/us on my/our behalf at the 17th Annual General Meeting  
of the Company to be held on Monday, the 26 day of September, 2005 at 2-30 P.M. at  
56, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082 and at any adjournment thereof.

Signed this ..... day of .....2005.

Signature .....

Affix  
Rupee 1/-  
Revenue  
Stamp

Notes : 1. The Proxy need not be a member

2. The Proxy to be valid should be duly stamped with a Revenue Stamp of Rupee 1/- and  
executed by the member and should reach the Company's Registered Office at least 48 hours  
before the commencement of the meeting.

----- TEAR HERE -----

## NAGARJUNA AGRI TECH LIMITED

56, Nagarjuna Hills, Punjagutta, Hyderabad -500 082. INDIA

Grams : "FLOWERS"

### ATTENDANCE SLIP

**Seventeenth Annual General Meeting on September 26, 2005**

Regd. Folio No.

No. of Shares held

I hereby record my presence at the Seventeenth Annual General Meeting of NAGARJUNA  
AGRI TECH LIMITED held at 56, Nagarjuna Hills, Punjagutta, Hyderabad - 500 082, at  
2-30 p.m. on Monday, September 26, 2005.

Name of Shareholder/Proxy in BLOCK letters

Signature of Shareholder/Proxy

Notes : (i) Please fill this attendance slip and hand it over at the ENTRANCE of the meeting hall.

(ii) No gifts will be distributed at the meeting.

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*If undelivered, please return to :*



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